

**KERALA BOOKS AND PUBLICATIONS SOCIETY,
KAKKANAD P.O., KOCHI – 682030**

**LIST OF GOVERNING BODY MEMBERS
(During the financial year 2014-2015)**

- | | | |
|-------|---|------------|
| 1 | Dr. Raju Narayana Swamy IAS
Secretary to Government,
Printing and Stationery
Higher Education (H) Department
Thiruvananthapuram - 695001 | - Chairman |
| 2. a) | Sri. M.G.Rajamanickam IAS
Managing Director
KBPS, Kakkanad – 682 030. | - Member |
| b) | Sri. Ansho Kuriakose
Managing Director i/c
KBPS, Kakkanad – 682 030. | - Member |
| 3. a) | Dr. J Poullose Jacob
Pro-Vice Chancellor,
Cochin University of Science & Technology,
Thrikkakara, Kochi. | - Member |
| b) | Dr. J. Latha
Vice Chancellor,
Cochin University of Science & Technology,
Thrikkakara, Kochi. | - Member |
| 4. a) | Sri. A. Shajahan IAS
Special Secretary to Government,
General Education Department, Secretariat Annexe,
Thiruvananthapuram – 695 001 | - Member |
| b) | Dr. Viswas Mehta
Principal Secretary to Government,
General Education Department, Secretariat Annexe,
Thiruvananthapuram – 695 001 | - Member |
| 5. | Sri. M. Nandakumar IAS
Director of Collegiate Education,
Vikas Bhavan, Thiruvananthapuram. | - Member |
| 6. | Sri. Gopala Krishna Bhat IAS
Director of Public Instruction
Jagathy, Thiruvananthapuram. | - Member |

7. a) **Dr. J. Latha** - Member
Director of Technical Education,
Fort, Thiruvananthapuram
- b) **Dr. K. Vijaya Kumar** - Member
Director of Technical Education,
Fort, Thiruvananthapuram
8. a) **Sri. N. Sunil Kumar** - Member
Director of Printing,
Government Central Press, Thiruvananthapuram.
- b) **Sri. K.G. Vijaya Kumar** - Member
Director of Printing,
Government Central Press, Thiruvananthapuram.
9. **Sri. S.S. Kumar** - Member
Controller of Stationery,
PMG Junction, Thiruvananthapuram – 695 033
10. **Sri. M.P. Salim** - Member
Joint Secretary to Government, Finance Department,
Government Secretariat, Thiruvananthapuram.
11. **Sri. K. Asokan** - Member
Production Manager
KBPS, Kakkanad – 682 030

Auditors: M/s Paulson and Co., Chartered Accountants,
37/2830, Main Road, Deshabhimani Junction
Kaloor, Kochi - 682017
Ph: 0484-3026312/3026316, Mob. No. 9447614100
E-mail: Paulsonandcompany@gmail.com

Bankers:

1. Union Bank of India, Thrikkakara.
2. Principal Sub-Treasury, Thiruvananthapuram
3. State Bank of Travancore, Civil Station, Kakkanad.
4. Ernakulam District Co-operative Bank, Thrikkakara.
5. State Bank of India, M.G Road , Ernakulam.
6. Bank of Baroda, Kakkanad
7. State Bank of India, CEPZ.
8. State Bank of Travancore, Vazhakkala
9. Dena Bank, Kakkanad
10. Corporation Bank, Kakkanad
11. Indian Overseas Bank, Maradu
12. Indian Overseas bank, Thrikkakara

Director's Report

Dear Governing Body Members,

We are delighted to present our 40th Annual report of Kerala Books and Publications Society (KBPS) along with the audited balance sheet and accompanying financial statements for the year ended 31st March 2015, duly certified by the auditors of M/s. Paulson and Company Chartered Accountants, Ernakulam.

HISTORY

The Kerala Books and Publications Society Constituted by Government of Kerala to print and supply text books to School children of Kerala State started its business with interest bearing Loans received from Government of Kerala. The society does not have any share capital of its own.

Government has entrusted the task for the distribution of school text books to us in collaboration with the Postal department (India Post) during the year vide G.O (Rt) No. 1443/2014/H.Edu dated 27/03/2014 and we have successfully completed the distribution of text books for standard I to X

FINANCIAL HIGHLIGHTS

During the year, the society witnessed a growth of 5.62% in Turnover under review over the previous year. The Society earned revenue of Rs. 6709.63 lakhs and expenditure incurred was Rs. 5003.86 lakhs and arriving at a surplus (After Tax) of Rs. 1081.50 lakhs. The Depreciation claimed was Rs. 70.91 lakhs. The land and building in which the society is functioning are owned by Government of Kerala.

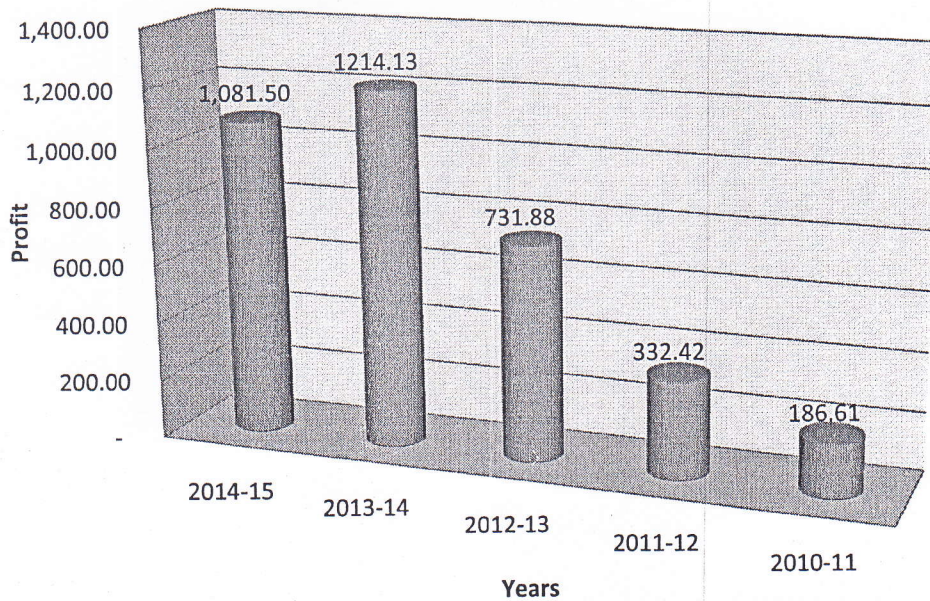
An amount of Rs. 7.02 lakhs per year is earmarked as lease rent to be paid to Government for use of land and building. The society has requested Government to transfer the ownership of the land and building to the society and steps are being taken at Government level to transfer the same.

Financial Results during last five years:

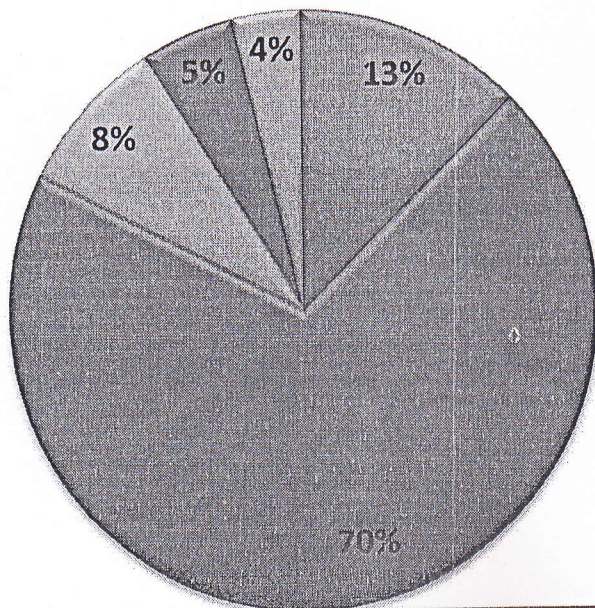
Rupees in Lakhs

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
Sales & Operating Income	6709.63	6346.27	5391.48	3695.77	2832.34
PBDIT	1817.35	1966.12	1202.08	647.77	384.45
Depreciation	70.91	82.34	81.40	80.97	87.42
Interest on Government of Kerala Loan	40.68	40.08	39.48	38.89	38.29
Profit before prior period items & tax	1705.76	1843.70	1081.20	527.91	258.74
Less: Prior period items & others	36.47	(.76)	12.21	44.39	(104.70)
Tax expenses	587.79	628.81	337.12	151.10	176.83
Net Profit for the year	1081.50	1214.13	731.88	332.42	186.61
Profit brought forward from previous year	4134.14	2920.01	2188.14	1855.72	1669.10
Excess carried forward to Balance Sheet	5215.64	4134.14	2920.01	2188.14	1855.72

Net Profit/Surplus during last five years



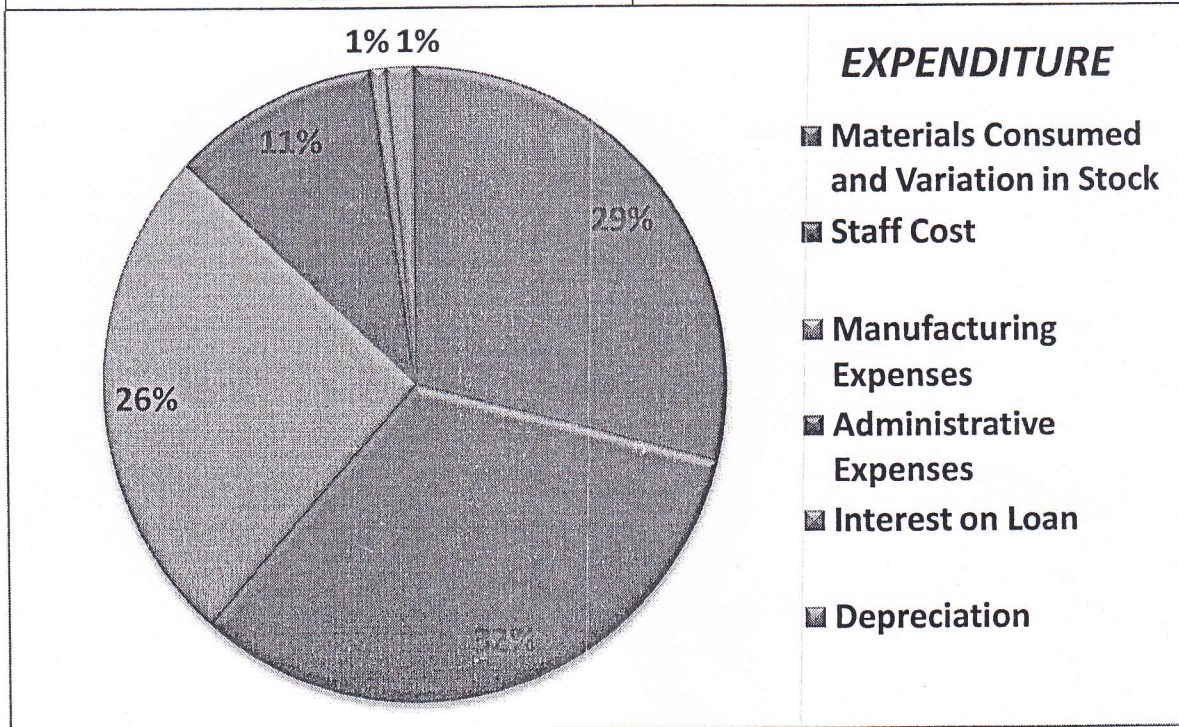
COMPONENTS OF INCOME: 2014-15	Amount (In Lakhs)
Text Book Printing	849.06
Commercial Work	4690.80
Distribution Charges (Text Book)	574.14
Sale of Waste Paper	341.06
Other Income	254.57
Total	6709.63



INCOME

- Text Book Printing
- Commercial Work
- Distribution Charges (Text Book)
- Sale of Waste Paper
- Other Income

COMPONENTS OF EXPENDITURE: 2014-15	Amount (In Lakhs)
Materials Consumed and Variation in Stock	1453.99
Staff Cost	1623.41
Manufacturing Expenses	1273.83
Administrative Expenses	541.04
Interest on Loan	40.68
Depreciation	70.91
Total	5003.86



Strengths

KBPS is one of the major players in the printing industry in public sector having business of printing of text books and lotteries for the state Government. It also carries out different commercial printing works. The society has ample scope for expansion & diversification in its field as well as other commercial activities. The successful distribution of textbooks to schools & Societies was an example of KBPS adoptability. Economies of scale are the cost advantage that KBPS obtains due to size. This is mainly because of a team of well experienced workforce, suitable machineries employed and favorable working environment in the society. The Society's high point is its capacity to take up and execute print orders of varied nature, volume and customers. The Society has made a name for the timeline execution of work orders

Weakness

The printing industry is undergoing rapid technological changes and KBPS find it difficult to cope up with the great speed as the majority of machineries in the Society are outdated and required replacement in a phased manner. We are facing stiff competition in the market from various printing concerns employing the state and it becomes inevitable to induct the latest and sophisticated machinery to stay in the business. The formalities and Government restriction kept the modernization slower and tedious process. The man power is ageing out and the rate of labor and staff attrition due to retirement is higher with every passing year. This cripples the man power availability and affects the production in every sense. This will require filling the gap by way of recruitment which may not give the desired result. The ownership of Land & Building is still in the hands of Government and transfer of ownership to KBPS will be a boon to the society in future.

Opportunities

Even though electronic media replaces printing industry in every sense, the consistency shown in printed materials like text books, lotteries, booklets, Journals etc over the years and sustained performance in the past few years elevated the names of KBPS to a higher place among the public sector industries in the state. The Society has realized the scope and utilized it to the maximum and this brought the Society as a major player in the public sector printing concern in the state. Market is not a limiting factor to KBPS. There is scope for printing text books of other states and CBSE textbooks. Greater innovation can help KBPS to produce unique products and service that meet customer's needs.

Threats

Emergence of Information Technology in all fields will adversely affect the printing industry. Fast technological changes in the industry can make KBPS less competitive and inefficient, if the Society is not in the path of radical changes. In addition to this the implementation of tablet computers among school students will somehow adversely affect our text book production in long run. Politics can increase KBPS's risk factors, because governments can quickly change business rules that may adversely affect the business of KBPS. The taste of the Consumers of the society may changes very quickly. Hence KBPS must be very much alert for knowing the demand and taste of our customers.

New Machinery and Asset

Manual Type Incinerator with Scrubber System installed for the management of solid waste like cotton wastes generated after the cleaning of the printing/binding machines normally filled with kerosene/lubricants/printing ink/other cleaning chemicals and paper/craft paper/soiled waste paper/plastic waste etc.

New Assignment

The society is planning to implement ERP system which will ensure better integration of various departments.

Production attained during 2014-15

During the year 2014-15 the society has printed 269.25 lakhs text books. Society has also undertaken the following printing works:

Sl. No	Commercial Production	Copies in lakhs (No's)	Value in lakhs (Rs.)
1	Kerala State Lotteries	12650.50	4113.001
2	Farm Information Bureau	18.06	275.910
3	M.G. University	326.90	161.394
4	Coconut Development Board	9.22	102.855
5	Health	0.35	34.356
6	ILDm	0.25	30.386
7	Kerala Institute of Local Administration	2.89	26.918
8	KSOS	0.48	23.839
9	Malabar Cements	0.29	22.124
10	Others	45.76	184.457
Total		13054.70	4975.24

Looking Forward

Projects for 2015-16

➤ **Procurement Strategy, Staffing , Modernization**

During the coming year the society plans to recruit employees to fill the gap arising out of retiring employees of technical and production staff. Fresh hands will be taken through Employment Exchange.

➤ **Plant Expansion, Capital Projects**

A new high speed four color web offset printing machine for printing of lottery tickets is proposed to purchase during the period 2015-16. Alteration, overhauling and replacement of spares of core machines are also proposed to meet our targets.

Corporate Governance

❖ **Number of Governing Body Meeting held : 4**

135th Governing Body Meeting held on 16-06-2014, 136th Governing Body Meeting held on 29-10-2014, 137th Governing Body Meeting held on 01-12-2014, and 138th Governing Body Meeting held on 23-03-2015

❖ **AGM held during the period: 1**

39th Annual General Body Meeting held on 01-12-2014.

Personnel Management

Training need assessment is being done and competency development has to be attained through various internal and external training programmers. Personnel and labour relations were cordial throughout the year.

No. of employees who retired during the year :	22
No. of employees who were recruited during the year :	6
Permanent staff :	172
Others (contract) :	70
Apprentices/ Trainees :	17
Persons demised :	0
No. of employees who resigned during the year :	3

Welfare

The Group Medical Insurance Scheme for the employees of KBPS was continued in the year 2014-15 also. More than 187 Employees & 66 retired/relieved employees and their insured dependents have benefited by availing medical insurance facilities. Onam was celebrated with great enthusiasm and distributed Onam gifts and Onam kit items to all permanent employees. An executive Health check up camp under Aster Medcity Healthcare Pvt Ltd was conducted during December 2014 for all permanent employees of KBPS and a health profile of each employee was given to them. Medical reimbursement of all permanent employees was also provided for the period 2014-15.

Auditors

M/s. Paulson & Company. Chartered Accountants, Ernakulam were our Statutory Auditors for the year under report and M/s. Arun Bijoy & Co. Chartered Accountants were appointed as our Internal Auditors for the year under report.

Acknowledgement

The directors of the society wish to place on record the valuable help and guidance given to society by the Government of Kerala, especially Department of General Education, State Lottery, Directorate of Health Service, Farm Information Bureau, The Bankers, Auditors, Business Associates, Customers, Trade Unions and all other well wishers. We wish to convey their appreciation to all of the Society's employees for their enormous personal efforts as well as their collective contribution to the Society's performance.

For and on behalf of the Board of Directors

S/d
Chairman

INDEPENDENT AUDITOR'S REPORT

To the General Body of the Kerala Books and Publications Society

Report on the Financial Statements

We have audited the accompanying financial statements of **KERALA BOOKS AND PUBLICATIONS SOCIETY** ("the Society"), which comprise the Balance Sheet as at March 31, 2015, and the Income and Expenditure Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Society, in accordance with the provisions of their Memorandum of Association and Rules and Regulations, 1976 amended from time to time, and Accounting Standards issued by the Institute of Chartered Accountants of India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Society's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Society has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Basis for Qualified Opinion:

Attention is invited to the following Points:

1. We have been informed that the Society has sent memos requesting confirmation to all Sundry Debtors, Creditors and advance holders. However, no confirmations in this regard have been received. Accordingly, the consequential effect on the financial statements on account of non-confirmation from debtors, creditors and advance holders is not ascertainable.
2. Note No. 5, with regard to non provision for bad debts to the extent of Rs. 189.39 Lakhs during the year. Consequently, the profits of the Society for the current year are over stated to the tune of Rs. 189.39 lakhs. Further, the Balances of Sundry Debtors in Balance Sheet are overstated to a tune of Rs. 816.94 Lakhs, being the combined effect from financial year 2011-12 onwards.
3. Note No.6, with regard to unrecognized income for text book printing receivable from text book office, due to non constitution of technical committee and delay in rate revision. The effect of this item in the financial statements cannot be quantified and no managerial estimates are available in this regard.
4. Note No. 7(d), with regard to non reversal of excess liability provision to the tune of Rs. 46.81 lakhs on account of utilization of printing paper supplied by Government of Kerala, in prior years and consequent overstatement of current liabilities and provisions in Balance Sheet to the tune of Rs. 46.81 Lakhs
5. Note No. 22, with regard to writing off of Rs. 1,78,073/- during the year on account of Government Directions, due to a fabricated invoice raised by the society in the financial year 2006-2007 and understatement of current year's profit of Rs. 1.78 Lakhs
6. Note No. 24, with regard to TDS credit for receivable for earlier financial years Rs. 34,01,060/- , as the society has not claimed in the Income Tax returns for the respective years, the chances recoverability of such amounts cannot be ascertained.

Qualified Opinion:

In our opinion and to the best of our knowledge and according to the information and explanations given to us, except for the effects of the matters described in paragraphs 1 to 6 of the Basis for Qualified Opinion paragraph, the said financial statements give the information required, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) In the case of the Balance Sheet, of the state of affairs of the Society as at March 31, 2015;
- (b) In the case of the Income and Expenditure Statement, of the Excess of Income over Expenditure for the year ended 31st March, 2015.

Emphasis of Matter

We draw attention to following matters

1. In our opinion, the Society's internal audit system requires to be streamlined and strengthened, considering the size and nature of its business, by timely submission of the internal Audit Reports and timely compliance with the Observations of the Internal Auditors, by the Society.

Our opinion is not qualified in respect of this matter.

Place: Kochi-682 017,

Date:

For PAULSON & COMPANY
Chartered Accountants

[Signature]
CA. K.P. PAULSON
LL.B, FCA, DISA, CISA (USA), CA (UK)
Membership No.21855; FR No.002620S
PARTNER



KERALA BOOKS AND PUBLICATIONS SOCIETY, KAKKANAD, KOCHI - 682 030.

BALANCE SHEET AS AT MARCH 31, 2015

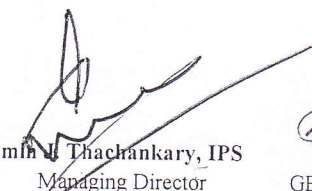
DESCRIPTION	SCH No		March 31,2015	March 31,2014
			(Figures in Rupees)	
I SOURCES OF FUNDS:				
PERMANENT CAPITAL LOAN	I		5,000,000.00	5,000,000.00
RESERVES AND SURPLUS	II		532,322,154.48	424,172,433.41
LOAN FUNDS	III		91,806,345.43	87,738,614.77
Total :			629,128,499.91	516,911,048.18
II APPLICATIONS OF FUNDS:				
FIXED ASSETS				
a) Gross block	IV	179,748,147.22	40,772,805.11	46,180,323.72
b) Less: Depreciation fund		138,975,342.11		
c) Net block				
INVESTMENTS: (At cost,trade,unquoted)				
Shares in KBP Employees Cooperative Society			100,000.00	100,000.00
CURRENT ASSETS, LOANS AND ADVANCES				
a) Inventories	V		84,091,959.48	103,098,713.60
b) Sundry debtors	VI		221,690,650.05	210,076,201.88
c) Cash and bank balances	VII		354,046,474.23	291,726,141.77
d) Interest accrued but not due on fixed deposit			6,003,025.99	5,435,505.00
e) Loans and advances	VIII		71,868,262.74	48,456,725.26
(A)			737,700,372.49	658,793,287.51
Less: CURRENT LIABILITIES AND PROVISIONS				
a) Current liabilities	IX		69,147,953.69	110,468,924.05
b) Provisions			80,296,724.00	77,693,639.00
(B)			149,444,677.69	188,162,563.05
NET CURRENT ASSETS	(A-B)		588,255,694.80	470,630,724.46
Total :			629,128,499.91	516,911,048.18
Significant Accounting Policies and Notes on Accounts	XIV			

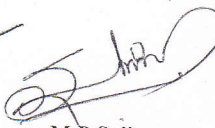
For and on behalf of the Governing Body

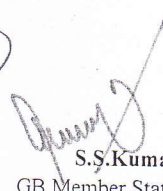
As per our report attached.
for Paulson and Co.

Chartered Accountants

Firm registration number :002620S

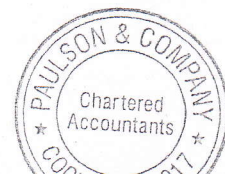

Tomlin V Thachankary, IPS
Managing Director


M.P. Salim
GB Member Finance


S.S. Kumar
GB Member Stationery


CA. K P Paulson
Partner, Membership No. 021855


Date:
Kochi

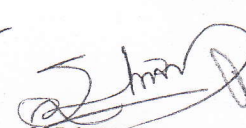


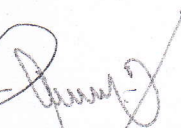
KERALA BOOKS AND PUBLICATIONS SOCIETY, KAKKANAD, KOCHI - 682 030.			
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015			
DESCRIPTION	SCH No	March 31, 2015	March 31, 2014
		(Figures in Rupees)	
INCOME:			
Printing charges		84,905,893.00	56,440,809.00
Printed material charges		469,079,916.84	474,769,279.36
Sale of waste paper		34,106,024.44	25,603,347.71
Distribution Charge (Text Books)		57,413,758.73	60,198,883.90
Miscellaneous income	X	25,457,097.61	17,614,834.58
Total:		670,962,690.62	634,627,154.55
EXPENDITURE:			
Materials and stores consumed	XI (1)	117,889,652.09	108,745,480.64
Variation in stock	XI (2)	27,509,415.25	(22,474,567.00)
Manufacturing and administrative expenses	XII	343,828,177.91	351,744,060.82
Interest on Government of Kerala loans		2,216,652.00	2,216,652.00
Penal interest on Government of Kerala loans		1,851,078.66	1,791,370.74
Depreciation	IV	7,091,240.14	8,234,156.92
Total:		500,386,216.05	450,257,154.12
Net surplus		170,576,474.57	184,370,000.43
Less : Prior period income/ expenses	XIII	58,335.50	76,359.35
Less: Income tax paid for previous year		3,588,991.00	-
		166,929,148.07	184,293,641.08
Less : Provision for income tax		58,779,427.00	62,880,753.00
Excess of income over expenditure for the year		108,149,721.07	121,412,888.08
Add: Excess of income over expenditure brought forward from previous year		413,414,028.41	292,001,140.33
Excess of income over expenditure transferred to Balance Sheet		521,563,749.48	413,414,028.41
Significant Accounting Policies and Notes on Accounts	XIV		

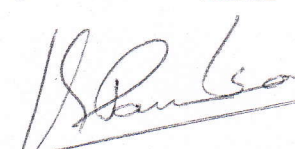
For and on behalf of the Governing Body

As per our report attached.
for Paulson and Co.
Chartered Accountants
Firm registration number : 002620S


Tomin J. Thachankary, IPS
Managing Director


M.P. Salim
GB Member Finance


S.S. Kumar
GB Member Stationery


CA. K P Paulson
Partner, Membership No. 021855

Date:
Kochi



KERALA BOOKS AND PUBLICATIONS SOCIETY:2014-15

SCHEDULE - I

PERMANENT CAPITAL LOAN	March 31,2015	March 31,2014
	(Figures in Rupees)	
From Government of Kerala	5,000,000.00	5,000,000.00
Total:	5,000,000.00	5,000,000.00

Note: A

As per G.O.(MS)289/84/H.Edn dated 29.10.1984 sanction is accorded to the Society to treat an amount of Rs. 50 lacs, out of the amount due to Government of Kerala towards the sales proceeds of waste paper, as permanent capital loan to the Society bearing interest @15% per annum repayable within a period of 15 years subject to the conditions that 2.5% penal interest will be charged for belated remittance of the principal and interest. Subsequently, Government vide G.O(Rt.) No.1639/86/H.Edn dated 20.09.1986 revised the above G.O. thereby exempting the Society from the liability for repayment of principal and reducing the rate of interest from 15% to 10% per annum. Accordingly interest has been provided @10% on the loan during the year also. During the year the Society has provided for penal interest @ 2.5% for the belated remittance of interest pertaining to the period from 01.04.2014 to 31.03.2015 amounting to Rs. 3.80 lacs (Previous year: Rs. 3.68 lacs). The Society is yet to pay Rs. 211.87 lacs (Previous year Rs. 203.07 lacs) being interest (including penal interest) accrued on the above loan from 29.10.1984 to 31.03.2015.

SCHEDULE - II

RESERVES AND SURPLUS	March 31,2015	March 31,2014
	(Figures in Rupees)	
Investment subsidy	374,405.00	374,405.00
Grant from Government of Kerala	10,384,000.00	10,384,000.00
Total: (A)	10,758,405.00	10,758,405.00
CAPITAL RESERVES		
GENERAL RESERVE		
Excess of income over expenditure brought forward from Income and Expenditure account	521,563,749.48	413,414,028.41
Total:(B)	521,563,749.48	413,414,028.41
Grand total (A)+(B)	532,322,154.48	424,172,433.41

Note: B

The Government of Kerala has sanctioned an amount of Rs. 103.84 lacs as grant against loans availed from Government of Kerala for the import and installation of Harris printing machine. Of the above, Rs. 39.55 lacs was sanctioned vide G.O (Rt) No.2059/ 89/ H.Edn dt. 11.11.87 and Rs. 2.13 lacs vide G.O (Rt) No.62/93 / H.Edn dated 08.01.93 and Rs. 62.16 lacs was sanctioned vide G.O.No.41374 / H1/ 92/H.Edn dated 28.04.93 , which is a Central Government share as indicated by their letter No.50 (1) PF- 87- 79, from Ministry of Finance, Department of Expenditure, Plan, Finance, New Delhi dated 06.01.1988.

Note: C

Accumulated General Reserve for the year 2014-15 is Rs.5215.64 lacs. Out of this Rs.1081.50 lacs belongs to the excess of Income over Expenditure for the year and Rs.4134.14 lacs belongs to the previous year.



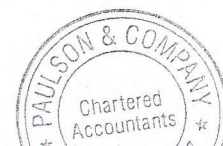
KERALA BOOKS AND PUBLICATIONS SOCIETY : 2014-15

SCHEDULE - III

UNSECURED LOAN			March 31,2015	March 31,2014
			(Figures in Rupees)	
1. For purchase of Harris model offset printing machine				
a) State Government portion :	Principal	1,445,000.00		1,445,000.00
	Interest	4,744,309.42		4,542,009.42
		6,189,309.42		5,987,009.42
	Penal interest	2,128,996.13		1,958,790.11
			8,318,305.55	7,945,799.53
b) Central Government Portion :	Principal	9,409,008.00		9,409,008.00
	Interest	18,710,878.18		17,840,545.18
		28,119,886.18		27,249,553.18
	Penal interest	8,828,257.13		8,054,960.26
			36,948,143.31	35,304,513.44
2. For purchase of HMT machine :				
	Principal	200,135.00		200,135.00
	Interest	646,969.60		618,950.60
		847,104.60		819,085.60
	Penal interest	269,595.37		246,300.00
			1,116,699.97	1,065,385.60
3. For purchase of Muller Martini Saddle Switcher machine:				
	Principal	1,900,000.00		1,900,000.00
	Interest	6,222,213.30		5,956,213.30
		8,122,213.30		7,856,213.30
	Penal interest	2,644,567.22		2,421,206.35
			10,766,780.52	10,277,419.65
4. For purchase of spare parts and machinery:				
	Principal	2,500,000.00		2,500,000.00
	Interest	7,705,293.00		7,355,293.00
		10,205,293.00		9,855,293.00
	Penal interest	3,264,170.36		2,983,524.80
			13,469,463.36	12,838,817.80
5. Interest accrued and due on Permanent capital loan:				
	Interest	15,210,958.90		14,710,958.90
	Penal interest	5,975,993.82		5,595,719.85
			21,186,952.72	20,306,678.75
	Total:		91,806,345.43	87,738,614.77

Notes:

C.1 In the case of Harris printing machine, the Government has originally sanctioned a loan of Rs. 306.58 lacs (net of grants). Of the above, Rs. 110 lacs was sanctioned vide G.O. (Rt) No.1185 / 87/ H.Edn dt. 15.06.87, Rs. 91.45 lacs vide G.O. (Rt) No.1118/87/H.Edn dt. 03.10.87 & 10.11.87, Rs. 90.45 lacs vide G.O. (Rt) No.2059/ 87/ H.Edn dt. 11.11.87, Rs. 14.68 lacs vide G.O. (Rt) No.1002/ 89/ H.Edn dt.13.06.89, which is inclusive of the Central Government share of Rs. 207.20 lacs.



C.2 Vide G.O (Rt) No.62 / 93 / H.Edn dated 08.01.93. read with their letter no: 41374 / H1/ 92 / H.Edn dated 28.04.93, the State Government portion of the above loan was repayable in 5 annual installments starting from the first anniversary from the date of order at an interest of 14% per annum, besides penal interest @ 2.75 % per annum for belated repayment. During the year, the Society has provided for penal interest of Rs. 1.70 lacs (Previous year: Rs. 1.65 lacs) @ 2.75% for the belated remittance of principal and interest pertaining to the period from 01.04.2014 to 31.03.2015. The Society is yet to make a repayment of the last installment of Rs. 14.45 lacs (Previous year: Rs. 14.45 lacs) due on 08.01.98 besides interest over due.

C.3 As per the order referred in C.1. above, the Central Government share of the loan was repayable in 15 annual (quarterly equal amounts) installments from July 1988 along with interest @ 9.25% per annum, besides penal interest @ 2.75 % per annum for belated repayment. The Society has not made repayments since 01.01.98 and as at year end entire balance amounting to Rs. 94.09 lacs (Previous year Rs.94.09 lacs) is over due. During the year, the Society has provided for penal interest of Rs. 7.73 lacs (Previous year Rs. 7.49 lacs) @ 2.75% for the belated remittance of principal and interest pertaining to the period from 01.04.2014 to 31.03.2015. Though penal interest for the period from 01.07.88 to 01.07.93 amounting to Rs. 9.25 lacs has already been remitted to Government of Kerala in the earlier years, interest for the remaining period is still outstanding.

C.4 In the case of HMT printing machine , the Government has originally sanctioned a loan of Rs. 5 lacs vide G.O. (MS) No.203 / 89 /H.Edn dt. 16.10.89. Similarly for Muller Martini Saddle Stitcher machine, a loan of Rs. 47.5 lacs was sanctioned vide G.O. (MS) No.188/ 89/ H.Edn dt. 29.09.89. For the purchase of spare parts and machinery, another loan of Rs. 62.5 lacs was originally sanctioned vide Government orders G.O.(RT)No. 237 / 91 / H.Edn dt. 21.02.91 (Rs. 31.5 lacs) , G.O. (RT) No. 344 / 91 / H.Edn dt. 08.03.91 (Rs.22.5 lacs) and G.O. (RT) No.442/91/H.Edn dt. 25.03.91 (Rs. 8.5 lacs).

All the above loans were repayable in 5 annual installments starting from the date of the Government order No. G.O.(MS) No.79 / 95 /H.Edn dated 26.06.1995 along with interest @ 14 % per annum, besides penal interest @ 2.75 % per annum for belated repayment. Being so, all the above loan amounts along with interest is overdue. During the year, the Society has provided for penal interest of Rs. 5.27 lacs (Previous year Rs. 5.10 lacs) @ 2.75% for the belated remittance of principal and interest pertaining to the period from 01.04.2014 to 31.03.2015.



KERALA BOOKS AND PUBLICATIONS SOCIETY : 2014-15

Description	Gross block										Net block (Figures in Rs.)	
	As on 01.04.14	Addition and Deletions during the year			As on 31.03.15	Rate	Depreciation			Up to 31.03.15	As on 31.03.15	As on 31.03.14
		Before 30.09.14	After 30.09.14	Total			Total Additions	Total Deletions	For the year			
Land and buildings:												
Land development expenditure	109,303.19	-	-	-	109,303.19	-	-	-	-	-	-	109,303.19
Water supply works	206,785.70	-	-	-	206,785.70	0.10	1,222.12	-	195,786.66	-	10,999.04	12,221.16
Building	8,712,839.65	-	-	-	8,712,839.65	0.10	511,207.09	-	4,111,975.83	-	4,600,863.82	5,112,070.91
Plant and machinery:												
Fire fighting equipments	156,502.14	9,520.00	95,388.00	-	251,890.14	0.15	17,480.91	-	148,071.68	-	103,818.46	25,911.37
Process room equipments	224,305.71	-	-	-	224,305.71	0.15	139.65	-	223,514.36	-	791.35	931.00
Composing room equipments	47,254.76	-	-	-	47,254.76	0.15	45.13	-	46,999.02	-	255.74	300.87
Plant and machinery *	151,187,145.73	308,260.00	918,919.00	50,000.00	152,056,064.73	0.15	5,657,951.90	23,899.69	119,866,307.62	-	32,189,737.11	36,954,890.32
Factory equipments	1,409,794.45	-	-	-	1,409,794.45	0.15	10,967.26	-	1,347,646.67	-	62,147.78	73,115.05
Gardening equipment	19,715.58	-	-	-	19,715.58	0.15	1,115.36	-	13,395.23	-	6,320.35	7,435.71
Electrical installation	1,922,003.50	-	-	-	1,922,003.50	0.15	35,334.04	-	1,721,777.30	-	200,226.20	235,560.24
Weigh bridge	261,424.80	-	-	-	261,424.80	0.15	414.16	-	259,077.91	-	2,346.89	2,761.05
Plant and machinery installed but not in use	902,173.74	-	-	-	902,173.74	0.15	898,658.79	-	899,186.03	-	2,987.71	3,514.95
Air conditioner	409,514.92	-	-	-	409,514.92	0.15	176,741.16	-	211,657.22	-	197,857.70	232,773.76
Telephone installation	356,238.50	-	-	-	356,238.50	0.15	16,916.03	-	260,400.99	-	95,857.51	112,773.54
Telephone	26,900.00	-	-	-	26,900.00	0.15	2,292.15	-	13,911.19	-	12,988.81	15,280.97
Water cooler	53,360.00	-	-	-	53,360.00	0.15	34,649.61	-	37,456.17	-	15,903.83	18,710.39
Office and other equipments	646,927.71	-	-	-	646,927.71	0.15	7,198.86	-	606,134.20	-	40,793.51	47,992.37
Computer and accessories	4,963,109.23	264,094.00	333,433.00	-	5,296,542.23	0.60	447,897.47	-	4,865,896.93	-	430,645.30	545,109.78
Furniture and fixtures:												
Electrical fittings	103,868.80	-	-	-	103,868.80	0.10	47,286.30	-	52,944.55	-	50,924.25	56,582.50
Furniture and fittings	3,250,707.21	240,400.00	381,750.00	-	3,632,457.21	0.10	139,581.09	-	2,256,027.42	-	1,376,429.79	1,134,260.89
Canteen furniture	203,337.80	-	-	-	203,337.80	0.10	186,445.78	-	1,689.20	-	15,202.82	16,892.01
Other assets :												
Library	9,847.04	-	-	-	9,847.04	0.10	6,943.33	-	290.37	-	2,613.34	2,903.71
Vehicles :												
Motor vehicle	2,884,432.41	-	-	-	2,884,432.41	0.15	219,487.69	-	1,640,668.83	-	1,243,763.58	1,463,251.27
Cycle	1,144.65	-	-	-	1,144.65	0.15	1,136.38	-	1,137.62	-	7.03	8.26
Total:	178,068,657.22	822,274.00	1,729,490.00	50,000.00	179,748,147.22		131,884,101.97	7,115,139.83	138,975,342.11	23,899.69	40,772,805.11	46,184,555.27
Previous year	168,870,649.46	1,216,730.00	9,619,904.76	421,897.00	178,068,657.22		123,964,943.98	8,234,156.92	131,888,335.50	310,767.40	46,180,323.74	44,905,705.50

* The subsidy of Rs. 50,000/- received on 25-06-2014 from Suchitwa Mission towards the construction of Bio Gas Plant is treated as Deletion for the period 2014-15 and the Depreciation for the year 2011-12 onwards of Rs. 23,899.69/- reversed and accounted during the year



KERALA BOOKS AND PUBLICATIONS SOCIETY:2014-15

CURRENT ASSETS, LOANS AND ADVANCES

A. CURRENT ASSETS

SCHEDULE- V

INVENTORIES	March 31,2015	March 31,2014
	(Figures in Rupees)	
(As valued, verified and certified by the Managing Director):		
a) Raw materials	47,468,827.33	43,854,042.64
b) Printing materials including printing charges	8,170,119.29	34,439,239.00
c) Miscellaneous stores, spares, electrical goods and uniform cloth	14,998,770.00	10,104,642.18
d) Loose tools on revaluation	1,796,860.40	1,803,111.78
e) Work-in-progress: Text books, lottery tickets etc. under printing	11,657,382.46	12,897,678.00
Total:	84,091,959.48	103,098,713.60

SCHEDULE - VI

SUNDRY DEBTORS	March 31,2015	March 31,2014
	(Figures in Rupees)	
(Unsecured, considered good subject to confirmation)		
1 Commissioner of Commercial Taxes	241,776.79	2,886,551.79
* 2 Kerala State Open School	8,058,503.92	
Less : Provision for doubtful debts	359,081.50	
# 3 <u>DPI for Text book distribution(14-15, 13-14 , 12-13 & 11-12)</u>	81,694,116.00	64,243,822.00
4 Animal Disease Control Project	753,600.00	291,850.00
5 Animal Husbandary Department	16,041.00	11,982.00
6 Cochin University of Science and Technology	133,727.20	127,113.20
7 Commissioner of Government Examinations	32,791.00	32,791.00
8 Director of Health Services	1,383,858.90	1,258,919.90
✓ 9 Director of Higher Secondary Education/ SCERT	12,707,746.67	12,707,746.67
* 10 Director of State Lotteries	75,098,325.06	78,195,531.06
11 Transport Commissionerate	1,197,857.00	212,245.00
12 District Rural Development Agency	791,745.60	2,251,746.60
* 13 Farm Information Bureau	11,305,556.37	6,999,695.37
14 Forestry Information Bureau	785,808.00	986,915.00
15 Hindustan Newsprint Limited	842,803.44	1,192,497.72
16 Institute of Land and Disaster Management	145,275.00	1,291,500.00
17 Kannur University	84,450.77	84,450.77
18 Kerala Institute of Local Administration	1,835,856.75	282,686.75
19 Kerala State Road Transport Corporation	213,498.85	346,058.85
20 Kudumbasree	160,462.20	112,912.20
21 Labour Commissioner	84,215.77	134,056.77
22 Education Department	1,234,423.00	1,393,039.00
23 Mahatma Gandhi University	9,718,461.80	14,384,386.80
24 NRHM Directorate	548,166.00	1,825,503.00
25 Public Relations Department	2,705.80	2,705.80
26 Sree Sankaracharya University of Sanskrit	285,400.00	-
✓ 27 State Council of Education, Research and Training (SCERT, TUM)	4,051,274.50	3,320,194.50
28 Travancore Devaswom Board	423,612.00	423,612.00
29 Others	8,217,672.16	7,079,938.71
Total:	221,690,650.05	210,076,201.88



KERALA BOOKS AND PUBLICATIONS SOCIETY:2014-15

SCHEDULE - VII

CASH AND BANK BALANCES	March 31,2015	March 31,2014
	(Figures in Rupees)	
i) Cash and stamps on hand	7,691.59	18,301.96
ii) Balance with scheduled banks and treasuries		
<u>In Savings bank accounts:</u>		
a) Union Bank of India, Thrikkakara	50,655,603.43	19,959,689.42
b) State Bank of Travancore, Civil station branch	15,648,225.70	920,319.70
c) State Bank of India, Ernakulam	440,275.91	423,452.91
d) Ernakulam District Co-operative Bank	160,630.39	154,468.57
e) State Bank of India (CEPZ)	762,686.00	837,140.00
<u>In Current bank accounts:</u>		
a) State Bank of Travancore, Civil station branch	93,339.00	15,750.00
<u>In term deposits:</u>		
a) Indian Overseas Bank FD, Thrikkakara	-	25,000,000.00
b) Indian Overseas Bank FD, Thrikkakara	-	41,887,493.00
c) Indian Overseas Bank FD, Maradu	-	13,125,000.00
d) Indian Overseas Bank FD, Maradu	-	26,250,000.00
e) Dena Bank FD	-	16,358,600.00
f) Dena Bank FD	-	19,763,851.00
g) Dena Bank FD	21,419,403.00	-
h) Dena Bank FD	-	40,000,000.00
i) Corporation Bank FD	25,000,000.00	-
j) Corporation Bank FD	-	30,000,000.00
k) Corporation Bank FD	32,579,454.00	-
l) Bank of Baroda FD	43,873,189.00	-
m) IOB, Thrikkakara FD	27,269,689.00	-
n) State Bank of Travancore FD	61,963,159.00	-
<u>In Treasury accounts:</u>		
a) Principal Sub-Treasury , Trivandrum	74,173,128.21	57,012,075.21
Total:	354,046,474.23	291,726,141.77

B. LOANS AND ADVANCES

SCHEDULE- VIII

LOANS AND ADVANCES	March 31,2015	March 31,2014
	(Figures in Rupees)	
Advances recoverable in cash or kind or for value to be received (Unsecured, considered good)		
a) <u>Staff advances</u>		
House building advance	-	1,164.00
Festival advance	1,049,400.00	1,080,000.00
Others	1,346,337.64	257,727.62
	2,395,737.64	1,338,891.62
b) <u>Other advances</u>		
Postal Department	1,891,501.00	-
Prepaid expenses	3,709,355.84	4,049,088.04
Others	1,480,154.58	630,662.10
	7,081,011.42	4,679,750.14
c) <u>Deposits</u>		
Kerala State Electricity Board	1,438,907.00	1,382,337.00
Godown deposit	674,798.00	674,798.00
Telephone Deposits - BSNL	31,927.50	32,549.50
Others	101,480.00	81,480.00
	2,247,112.50	2,171,164.50
d) Income tax deducted at source	15,144,401.18	16,266,919.00
e) Advance Tax Payment	45,000,000.00	24,000,000.00
Total:	71,868,262.74	48,456,725.26



KERALA BOOKS AND PUBLICATIONS SOCIETY : 2014-15

CURRENT LIABILITIES AND PROVISIONS

SCHEDULE - IX

A. CURRENT LIABILITIES

CURRENT LIABILITIES		March 31,2015	March 31,2014
		(Figures in Rupees)	
1. Sundry creditors (Subject to confirmation)			
a)Government of Kerala	4,879,086.77		
Add: Sale of waste paper during the year	1,670,650.00	6,549,736.77	4,879,086.77
b)Director of Public Instruction		(4,263,982.39)	25,944,322.61
Add: Rebate		7,590,595.21	7,590,595.21
Text book paper used for commercial printing		21,205,067.00	21,205,067.00
		24,531,679.82	54,739,984.82
c)Directorate of Vocational Higher Secondary Education		-	352,950.00
Excel Graphics		-	1,499,925.00
Smart Graphics		282,120.00	171,500.00
Futura Automation		-	1,113,891.00
Delta Paper Mills Limited		705,714.00	-
Others		(2,594,447.45)	4,888,956.42
		(1,606,613.45)	8,027,222.42
2 Other liabilities			
a) Creditors for expenses:			
Rent of premises		22,998,018.04	22,342,893.04
Electricity charges Payable		942,466.00	645,995.00
Audit fee payable		75,000.00	75,000.00
Others		2,179,976.27	1,873,391.18
		26,195,460.31	24,937,279.22
b) Dues to Government/semi Government agencies:			
CPF contribution		19,505.05	17,569.05
ESI contribution		316,952.51	469,184.30
Income tax deducted at source		300,622.00	140,890.00
Value added tax and Central sales tax		2,450,117.89	2,867,505.25
		3,087,197.45	3,495,148.60
c) Payable to staff:			
Dearness allowance arrears		2,020,691.00	945,255.50
Others		3,856,270.00	1,663,160.98
		5,876,961.00	2,608,416.48
d) Others:			
Earnest money and security deposit		2,853,976.00	5,152,656.35
Director of Public Instruction Gunny Bags		1,520,356.56	1,520,356.56
KBPS Employees Welfare Association		(1,688.00)	183,948.50
Advance from Customers		(72,060.00)	4,000,000.00
Others		212,947.23	924,824.33
		4,513,531.79	11,781,785.74
Total: 1(a)+1(b)+1(c)+2(a)+2(b)+2(c)+2(d)		69,147,953.69	110,468,924.05



KERALA BOOKS AND PUBLICATIONS SOCIETY : 2014-15

B. PROVISIONS

PROVISIONS	March 31,2015	March 31,2014
	(Figures in Rupees)	
1. Performance allowance payable	6,914,948.00	7,849,037.00
2. Ex-gratia payable a/c	152,000.00	170,400.00
3. Income tax	58,779,427.00	62,641,350.00
4. Provision for surrender leave salary	8,357,040.00	-
5. Pension Payable	6,093,309.00	7,032,852.00
Total:	80,296,724.00	77,693,639.00

SCHEDULE - X

MISCELLANEOUS INCOME

MISCELLANEOUS INCOME		March 31,2015	March 31,2014
		(Figures in Rupees)	
Interest received		22,329,197.99	15,927,663.00
Sale of scrap		1,299,906.20	948,667.57
Discount received		159,066.75	259,040.53
Divident Received		50,000.00	-
Sale of tender form		260,061.00	241,460.00
Forfeited EMD/SD		102,400.00	10,000.00
Rent from KBPE Co-operative Society		37,776.00	37,776.00
Others			
Gain/Loss on Foreign Exchange	109,856.82		354.14
Guest house rent	900.00		4,613.00
Miscellaneous Income	1,045,662.85		82,268.22
Penalty (Recovery)	-		1,861.72
Private use of KBPS Vehicle	-		18,090.00
Profit/Loss on Sale of Fixed Asset	-		24,370.40
Training and visit	42,900.00		58,670.00
Stipend Received	19,370.00		-
		1,218,689.67	190,227.48
Total:		25,457,097.61	17,614,834.58



KERALA BOOKS AND PUBLICATIONS SOCIETY : 2014-15

SCHEDULE - XII

MANUFACTURING AND ADMINISTRATIVE EXPENSES

MANUFACTURING AND ADMINISTRATIVE EXPENSES	March 31,2015	March 31,2014
	(Figures in Rupees)	
1 Staff cost:		
Salaries	61,315,641.27	65,995,037.94
CPF Employer's contribution	1,200,637.00	2,975,111.00
Surrender leave salary	13,210,961.00	4,113,585.00
Gratuity	15,159,587.00	4,342,836.00
Performance allowance	6,900,157.80	7,042,000.00
Medical reimbursement	4,533,915.96	4,010,544.76
KBPS Pension Fund	6,323,378.00	16,551,003.00
Canteen expenditure	4,519,415.00	4,085,313.65
Staff welfare expenses	1,115,190.25	737,668.48
Dearness allowance arrears	2,658,524.30	3,389,345.00
Pay arrears	-	35,750.00
Pension Contribution	5,275,561.00	5,702,165.00
Daily wages	14,444,349.57	12,199,048.32
Additional Wages	23,227,557.49	16,246,650.91
Other costs including stipend ex-gratia, bonus etc	2,456,203.78	1,535,322.39
	162,341,079.42	148,961,381.45
2 Job work	108,372,369.11	127,851,892.50
3 Piece work	8,450,019.19	7,735,512.28
4 Carriage inwards/outwards	1,863,424.87	1,708,917.73
5 Power, light and water charges	8,697,475.00	8,080,095.00
6 Security charges	1,609,380.00	1,647,108.00
7 Rent on land and buildings	6,532,016.00	6,266,456.00
8 Travelling expenses	916,558.50	1,050,318.33
9 Postage , telegram and telephone charges	204,553.30	268,455.04
10 Insurance	301,045.00	301,045.00
11 Printing and stationery	130,072.50	191,138.01
12 Vehicle running and maintenance:		
a) Petrol expenses	445,961.09	
b) Repairs	214,524.00	
c) Vehicle insurance	47,688.00	
	708,173.09	905,141.00
13 Repairs and maintenance:		
a) Plant and machinery	1,697,603.87	
b) Building	-	
c) Others	1,388,876.00	
	3,086,479.87	3,307,554.27
14 Rates and taxes	121,479.00	57,948.00
15 Office and Miscellaneous expenses	2,790,656.92	2,863,063.91
16 Distribution Expense	37,649,471.14	40,548,034.30
17 Computer and Accessories (Consumable)	53,925.00	-
Total:	343,828,177.91	351,744,060.82



KERALA BOOKS AND PUBLICATIONS SOCIETY : 2014-15

SCHEDULE -XI

MATERIALS AND STORES CONSUMED AND VARIATION IN STOCK

MATERIALS AND STORES CONSUMED - XI (1)		March 31,2015	March 31,2014
(Figures in Rupees)			
A. Raw materials			
Opening stock	43,854,042.64		13,860,920.77
Add: Purchases	111,244,224.62		127,550,985.50
Total	<u>155,098,267.26</u>		<u>141,411,906.27</u>
Less: Closing stock	47,468,827.33		43,854,042.64
Consumption		107,629,439.93	97,557,863.63
B. Miscellaneous stores and spares			
Opening stock	9,717,428.37		7,916,007.38
Add: Purchases	14,404,390.95		12,093,122.91
Total	<u>24,121,819.32</u>		<u>20,009,130.29</u>
Less: Closing stock	14,492,446.61		9,717,428.37
Consumption		9,629,372.71	10,291,701.92
C. Tools			
Opening stock	1,803,111.78		2,078,763.36
Add: Purchases	48,180.02		37,312.35
Total	<u>1,851,291.80</u>		<u>2,116,075.71</u>
Less: Closing stock	1,796,860.40		1,803,111.78
Consumption		54,431.40	312,963.93
D. Electrical goods			
Opening stock	372,871.36		195,716.15
Add: Purchases	592,857.03		683,982.12
Total	<u>965,728.39</u>		<u>879,698.27</u>
Less: Closing stock	491,201.30		372,871.36
Consumption		474,527.09	506,826.91
E. Uniform cloth			
Opening stock	14,342.45		21,883.00
Add: Purchases	102,660.60		68,583.70
Total	<u>117,003.05</u>		<u>90,466.70</u>
Less: Closing stock	15,122.09		14,342.45
Consumption		101,880.96	76,124.25
COST OF GOODS CONSUMED (I)		<u>117,889,652.09</u>	<u>108,745,480.64</u>

VARIATION IN STOCK - XI (2)		March 31,2015	March 31,2014
(Figures in Rupees)			
Opening stock of printed materials including printing charges		34,439,239.00	20,277,215.00
Opening stock of work-in-progress		12,897,678.00	4,585,135.00
Total Opening Stock		<u>47,336,917.00</u>	<u>24,862,350.00</u>
Less: Closing stock of printed materials including printing charges		8,170,119.29	34,439,239.00
Closing stock of work-in-progress		11,657,382.46	12,897,678.00
Total Closing Stock		<u>19,827,501.75</u>	<u>47,336,917.00</u>
VARIATION IN STOCK (II)		<u>27,509,415.25</u>	<u>(22,474,567.00)</u>



KERALA BOOKS AND PUBLICATIONS SOCIETY : 2014-15

SCHEDULE - XIII

PRIOR PERIOD EXPENSE / (INCOME)

PRIOR PERIOD EXPENSE / (INCOME)	March 31,2015	March 31,2014
	(Figures in Rupees)	
Prior period income	(16,174.47)	327,362.65
<u>Less</u>		
<u>Prior period expenses:</u>		
Others	42,161.03	403,722.00
Total:	(58,335.50)	(76,359.35)



KERALA BOOKS AND PUBLICATIONS SOCIETY

SCHEDULE - XIV

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31.03.2015

A. SIGNIFICANT ACCOUNTING POLICIES

(A) Inventory:

1. Work-in-Progress and Finished goods of inventory have been valued at lower of cost and net realizable value. Closing stock of raw materials, miscellaneous stores and spares etc have been valued at their last purchased price.
2. Loose tools have been revalued at the year- end. 20% of the cost of serviceable tools at the year-end is treated as consumed.
3. The value of the printing paper received from the Government of Kerala is not accounted in the books of the Society, since the paper belongs to the Government. Accordingly, the value of stock of such paper and the liability towards the unused paper stock, as on the Balance sheet date is not considered in the financial statements.

(B) Revenue Recognition:

1. Printing, printed material charges and distribution charges have been recognized as revenue, upon billing.
2. The Distribution charges claimed by KBPS from the Director of Public Instruction is by adding 25% of the actual expenses as administrative charges of the concerned years, based on the analysis of expenses of the last three years with the indirect expenses incurred by KBPS in connection with distribution of text books.



3. Sale proceeds of waste paper (apportioned in the ratio of 6:2 between the Society and the Government) and cutting waste is accounted on cash basis. Stock of waste at the year-end, if any, has not been accounted for. The apportionment of sale proceeds of waste paper is ratified only up to 31-03-2006.
4. Bank interests are recognized on accrual basis.

(C) Fixed Assets:

1. Fixed assets are stated at their historical cost less accumulated depreciation. The cost includes cost of acquisition and all other attributable costs of bringing the assets to the working condition for the intended use, including indirect expenses.
2. Depreciation is charged on fixed assets as per the rates prescribed under the Income Tax Act, 1961 and for the fixed assets purchased after 30.09.2014; half the rate of depreciation has been charged.

(D) Investments:

1. Investments in shares in KBPE Co-operative Society have been valued at cost, as it is unquoted.

(E) Employee Benefits:

1. The Society has covered its existing employees under LIC's Group Gratuity Cash Accumulation Scheme and as per the direction from LIC, newly joined employees are covered under LIC's New Group Gratuity Cash Accumulation Scheme from 2014 renewal onwards. A defined contribution plan, and premium is being paid based on actuarial valuation. Any shortfall in the fund as on the Balance sheet date will be provided in the year itself.
2. The regular employees of Society is covered under a self sustainable and financial viable pension scheme implemented by the society, vide Government orders' no G.O (MS) No 66/11/H.Edn. Dated 18-05-2011, G.O. (MS) No.194/13/H.Edn. dated 18.05.2013 and G.O. (P) No.588/2014/H.Edn Dated 23.07.2014. An amount equal to 12% of Emoluments (Basic pay + DA) of all employees who are in service will be paid by the employer towards employer's contribution to the pension scheme to be credited to the pension fund created for the purpose. Employers annual contribution @ 3% of the profit earned by the society each year under the provisions of rule 10 (13) (b) of KBPS rules and regulations. This amount has to be met by the Society from its own fund. Contribution @ 5% of Basic pay and DA by the employees enter



into service between 01-04-2011 to 31-03-2013 and @ 10% for those who enter into service on or after 01-04-2013, ('National Pension Scheme' as admissible to Government employees) shall be made applicable and contribution will be made to the KBPS Pension fund. As per G.O. (P) No.588/2014/H.Edn Dated 23.07.2014, 6% of Basic pay and DA of all employees who are in service will be remitted towards KBPS General Provident fund. The Employer and Employee contributions towards KBPS Pension fund and the Employee contribution towards General Provident fund are kept in separate bank accounts in Union Bank of India.

3. Surrender Leave Salary is accounted on Accrual basis. As prescribed by the accounting standard and consequently the society has made provision of Rs 83,57,040 during the year as Surrender leave salary payable

(F) Income Tax:

1. Consequent to the amendments in the Income Tax Act, 1961, the Society's income is taxable, though it continues to have the registration as a charitable society.

(G) Provisions and Contingencies:

1. A provision is recognized when there is a present obligation as a result of past events for which it is probable that an outflow of resources will be required to settle the obligation in respect of which reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.
2. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the society.

(H) Effect of Change in foreign exchange rate:

Expenditure in foreign currency is accounted at the exchange rate prevalent when such expenditure is incurred.



B. NOTES ON ACCOUNTS.

1. Provision for Pension has been made in the books during the Financial year 2014-15 for Rs 52,75,561/- @ 3% of profit earned by the Society and Rs. 63,23,378/- @ 12% of Emoluments (Basic pay + DA) of all employees who are in service paid by the Society to Pension scheme during the Financial year 2014-15 as employer's contribution.

(Sch. no XII: Manufacturing and Administrative Expenses)

2. During the year 2014-15, an amount of Rs 1, 51, 59,587/- has been accounted as expenses by the society towards Employees' Group Gratuity Cash Accumulation Scheme of LIC. *(Sch. no XII: Manufacturing and Administrative Expenses)*

3. As per Order No S2-5030/2008/DSL dated 14.07.2009, an amount of Rs. 1, 58, 19,438/- has been deducted from the arrears of printing charges towards the penalty for delay in printing of lottery tickets relating to the month of September & October, 2008. As per G O (G) no 671/2013 dated 02.09.2013, an amount Rs 59, 25,224/- was sanctioned against the amount mentioned. The said amount has been received vide demand draft no. 377716 dated 13-12-2013, and is accounted in the books of account vide Receipt No. 25729 dated 21-12-2013.

4. The unpaid interest arrears on the Government of Kerala Loan as on 31.03.2015 is Rs. 763.52 Lakhs (Previous year Rs 722.84 Lakhs) including penal interest of Rs 231.12 Lakhs (Previous year Rs 212.61 Lakhs). *(Sch. no III: Unsecured Loans)*

- ✓ 5. (a) For the academic year 2014-15, KBPS claimed Rs. 5,74,13,759/- towards distribution charges and out of this Rs. 1,89,39,373/- claimed as administrative expenses, Software development charges etc. were disallowed and amount sanctioned was Rs.3,84,74,386/- vide order No. A2/406/14/TBO dated 25-03-2015. However, the amount of Rs. 1, 89, 39,373/- disallowed is not written off as bad debts as the society is hopeful of making further representations to the Government, effecting its recovery.

- (b) For the academic year 2013-14, KBPS claimed Rs. 5,87,09,805/- towards distribution charges and out of this Rs. 1,93,05,457/- claimed as administrative expenses, Salary and Honorarium were disallowed and amount sanctioned was Rs.3,94,04,308/- vide order No. A2/2312/13/TBO dated 12-03-2014



(c) For the academic year 2012-13, KBPS claimed Rs.5,52,34,970/- towards distribution charges and out of this Rs. 2,09,53,132/- claimed as godown rent, administrative and other expenses and miscellaneous expenses were disallowed and amount sanctioned was Rs. 3,42,81,838/- vide order No. A2/1084/10/TBO dated 05-10-2013.

(d) For the academic year 2011-12, KBPS claimed Rs. 5,42,06,584/- towards distribution charges and out of this Rs. 2,24,96,114/- claimed as godown rent and service charges were disallowed and amount sanctioned was Rs. 3,17,10,470/- vide order No. A2/1084/10/TBO dated 24-07-2013.

- ✓ 6. The following accounts, with regard to advance received from the text book office are not reconciled with the society's accounts as on 31-03-2015. This is due to the fact that, Technical committee for settlement of accounts has not been constituted with this regard.

<u>SL</u> <u>No</u>	<u>Particulars</u>	<u>Amount</u>
1.	DIRECTOR OF PUBLIC INSTRUCTION	42,63,982.39 (Dr)
2.	REBATE TO DPI	75,90,595.21(Cr)

The reason for the above balance is a result of un-reconciled balances outstanding after 31-03-2006 (date of last reconciliation) and receipt of advance payments against proposed revision of rates till 31.03.2015. Since the revision of rates for text book printing with effect from 01.04.2006 is not finalized, any income which might have arisen on account of Rate revision is not recognized in the year 2014-15.

(Sch. no IX: Current Liabilities and Provisions)

7. A. Utilization of Government paper for printing of SCERT Text Books
- a. Utilization during earlier years of 510 metric tonnes of printing paper supplied by Text Book Office (TBO) of Director of Public Instruction (DPI), Government of Kerala (Government paper), for printing of text books of Director, Higher Secondary Education/ State Council of Educational Research



and Training (DHSE/SCERT) (Commercial printing) and was ratified by the Governing Body/Government.

- b. Of the above, 85.03 tons costing Rs 36.24 Lakhs were replaced in earlier years and payment to TBO towards cost of balance paper of Rs. 129 Lakhs is pending for final approval for settlement by the Government, totaling to a liability of Rs 165.24 Lakhs.
- c. However, a liability of Rs. 212.05 Lakhs (Previous year Rs. 212.05 Lakhs) has been provided for in the accounts in earlier years as due to TBO towards cost of paper as against the actual liability of Rs 165.24 Lakhs.
- d. This excess provision of Rs. 46.81 Lakhs (Rs 212.05 Lakhs less Rs 165.24 Lakhs) is not reversed in the books of accounts during the year since the final approval for settlement by the Government is pending.

(Sch. no IX: Current Liabilities and Provisions)

B. Printing charges of SCERT Text Books

- a. During the year 2007-08, the Society had received a print order for 3,46,900 copies of SCERT Class XI and 3,96,900 copies of SCERT Class XII text books vide work order No. AcdA4/11307/TB/HSE/2007 from DHSE and 4,40,000 copies of NCERT class XI text books vide order no.A2/2087/06/SCERT from SCERT.
- b. Towards this, society has claimed and recognized as income Rs. 90.46 Lakhs from DHSE at the Government appropriate rates for printing text books and Rs. 239 Lakhs from SCERT during the year 2007-08.
- c. The DHSE/SCERT later informed the Society to deliver the text books to text book depots across the state and directly collect the sale proceeds from them.
- d. As per the decision taken in the HLMC meeting held on 05/11/2011, we have disposed the obsolete books of plus-one and plus-two books lying in different text book depots and realized an amount of Rs.9,36,185/- in this regard and credited to the account of Director Higher Secondary/SCERT in the financial year 2012-13.
- e. Though the sale proceeds of the text books are being remitted to the Society by the text depots at the selling price fixed by the DHSE/SCERT, no adjustment has been done to give effect to the said rate difference in sales up to 2011-12.
- f. Invoice was raised during the Financial year 2012-13 for 2,52,862 copies of SCERT XII text books printed and distributed during the year 2008-09 to text



book depots for Rs 1,09,02,085 as per the decision taken in the HLCC meeting held on 05-11-2011 and the balance outstanding at the year end from DHSE/SCERT is Rs 1,27,07,746.67.

The Society has requested the Government for the settlement of the cost of the paper payable to Text book department with printing charges receivable from SCERT.

(Sch. no VI Sundry Debtors)

8. Waste paper and Cutting waste

- a. The Government of Kerala has determined the quantum of waste paper that may be allowed on the printing paper supplied by them, while printing the books for them on an average 6% wastage is allowed for RO 66 machine and 8% for Harris Machine vide order no. G.O 312/90/H. Edn dated 11.12.1990.
- b. In view of representation, the Government has issued order no. G.O (Ms) 186/05/G Edn dated 17.06.2005 allowing the Society to apportion the sale proceeds of the waste paper excluding cutting waste in the ratio 6:2. Accordingly, the Society has allocated the sale proceeds of waste paper excluding cutting waste and the amount realized from the cutting waste has been taken to revenue, as in the previous year. However, vide G.O. (Ms) No. 141/14/H.Edn Dated 20-03-2014, the apportionment of Waste paper Sales proceeds in the ratio of 6:2 was ratified only up to 31.03.2006 and the order is silent for the periods thereafter.

9. Refund of Special Allowance:

- a. During the year 2008-09, the Society has paid special allowance arrears amounting to Rs **16.15** lacks to certain categories of employees in the lower grade for the period from 01.03.1997 to 13.10.2003 without Government orders after getting an undertaking from the employees to the effect that the amount will be refunded to the society in case Government do not ratify the payment of arrears.
- b. The matter has been taking up with the Government, but the approval has not been received yet. However, the society had recovered Rs 1, 22,330/- during the year and the balance of Rs. 7.73 Lakhs is outstanding.



10. Lease rent:

- a. The value of land & building in which the fixed assets of the Society has been installed has not been brought to accounts. As the government vide G.O (MS) No: 80/83/H.Edn dated 19.04.1983, ordered that the same should be treated as property on lease.
- b. The lease rent has also been fixed by the Government @ 7% p.a from the date of commissioning of the plant. Superintendent engineer, P.W.D (B & R), Always, vide his letter No: 9981/72/H.B dated 06.02.1982 has valued the building at Rs.1, 00, 29,112/-.
- c. Rent due for the year 2014-15, Rs.7,02,037/- has been provided in the accounts on the above sum itself, since no valuation has been done after 1982.
- d. Building tax paid Rs.46,912/- has been deducted from the provision of rent on land and building since the Government in its Order No: G.O (MS) 151/86/PW&T dated 14.11.1986 specified that the building tax on building of PWD is to be borne by the PWD itself.

The Society has requested the Government to Transfer the ownership of the Land and building vide our Letter No. P&A3/1041/4094 dated 12-11-2011 and is following up its progress. (Sch no IX: Current Liabilities and Provisions)

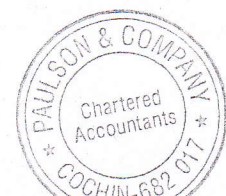
11. Applicability of Provisions of ESI Act:

The ESI amount collected from the employees of the Society during the year 2014-15 was remitted to a separate bank account, since the Society had filed an application for exempting the establishment from the provisions of the ESI Act.

12. The consumption ratio of paper with that of production during the year is determined to be 77.28% (Previous year: 62.79%).
13. The Society is in the process of strengthening the internal control in the area of production, stores & inventory, purchase & sales, expenditure & maintenance of accounting and other records relating to the operations of the Society.
14. Dividend from KBPE Co-Operative Society recognized on accrual basis. Accordingly, Rs. 50,000/- is recognized as dividend from KBPE Co-Operative Society during the financial year 2014-15.



15. During the year the society has paid advance income tax amounting to Rs. 450 Lakhs. (Sch. no VIII: Loans and Advance)
16. The physical verification of finished inventory, work-in-progress, and raw materials, loose tools have been conducted at the year end and are observed by the internal auditors.
17. In the opinion of the Governing Body, the Current assets, Loans & Advances have an approximate value, as stated in the Balance Sheet, if realized in the ordinary course of business. The provision for all known liabilities is adequate and is not in excess of amount reasonably considered necessary.
18. Contingent Liability: As per the demand notice A5-2623/11 dated 14.06.2011 issued from the Office of the Assistant Commissioner of Commercial Taxes, Special Circle III, Ernakulam an amount of Rs. 20, 57,897/- along with interest Rs. 11, 89,773/- is outstanding for the period 2005-06. The Society has requested the Government to set off the excess remittance of KVAT for the period from 2006-2011 to the KVAT demand for the period 2005-06.
19. Previous year's figures have been regrouped/recast wherever necessary, to confirm to the classification of current year.
20. Detailed Fixed Asset register prepared and the physical verification of the fixed assets has been conducted by the Society on 31.03.2015.
21. 132th Governing Body meeting of the Society, held on 07.10.2013, had decided to transfer the long pending EMD's outstanding in the books of account, as income of the Society. During the year 2014-15, Rs. 9,19,044.35, *inter alia*, was recognized as income under the head Miscellaneous Income, on account of Forfeiture of Long pending EMD's and Security Deposits.
22. The Secretary to Government of Kerala, vide his Letter dated 21.03.2014, has directed KBPS to refund Rs. 5,31,023/- to VHSE, on account of a bill for Rs. 1,78,073/- dated 29.03.2007, raised by the Society, which was found to be fabricated as per the enquiry conducted by the Financial Inspection Wing of the



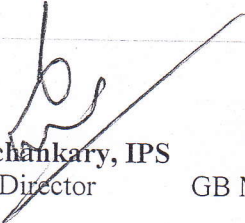
Government. Accordingly, Rs. 5, 31,023/- has been refunded to VHSE on 16.07.2014 and Rs. 1, 78,073/- has been written off as bad debts, during the year.

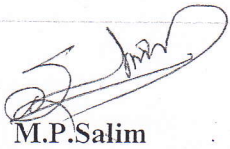
23. TDS Receivable under the head Current Assets includes TDS receivable of Rs. 34,01,060/- for various Asst. Years 2007-08, 2008-09 etc., which are deposits made by Customers after filing the income Tax return of the Society. Even though the assessments for these years are barred by limitation, steps are being taken up to get the refunds for the same, from the income Tax Department.

24. No provision has been made for Service Tax, under reverse charge mechanism. The society has sought a clarification from the Service Tax Department on this matter. However, no reply is received on this matter from the Service Tax Department.

For and on behalf of the Governing Body

As per our report attached
For Paulson and Co.
Chartered Accountants,
Firm registration number: 002620S


Tomin J. Thachankary, IPS
Managing Director


M.P. Salim
GB Member Finance


S.S. Kumar
GB Member Stationery


CA. K P Paulson LLB, FCA, DISA, CISA (USA)
Membership No. 021855, FRN: 002620S
PARTNER

Date:
Kochi - 682030

