

## Director's Report

Dear Governing Body Members,

We are delighted to present our 38<sup>th</sup> Annual report of Kerala Books and Publications Society (KBPS) along with the audited balance sheet and accompanying financial statements for the year ended 31<sup>st</sup> March 2013, duly certified by the auditors of M/s. Isaac & Suresh 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.

During the year Government has entrusted the task for the distribution of school text books to us. The Kerala Books and Publications Society successfully completed the distribution of text books for standard I to X through Indian Postal department.

### FINANCIAL HIGHLIGHTS

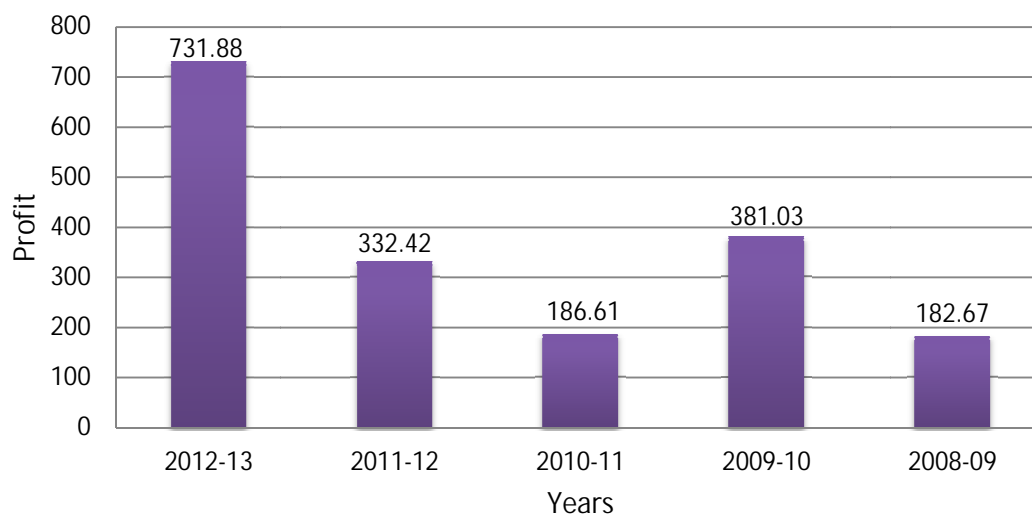
During the year, the society witnessed a growth of 51.91% in Turnover under review over the previous year. The Society earned revenue of Rs.5390.91 lakhs and expenditure incurred was Rs.4310.29 lakhs and arriving at a surplus (After Tax) of Rs.731.88 lakhs. The Depreciation claimed was Rs.81.40 lakhs. 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:

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
Sales & Operating Income	5391.48	3695.77	2832.34	2394.35	2386.81
PBDIT	1202.08	647.77	384.45	534.13	322.86
Depreciation	81.40	80.97	87.42	40.90	31.46
Interest on Government Kerala Loan	39.48	38.89	38.29	37.69	37.09
Profit before prior period items & tax	1081.20	527.91	258.74	455.54	254.31
Less: Prior period items & others	12.21	44.39	(104.70)	(25.90)	11.40
Tax expenses	337.12	151.10	176.83	100.41	60.24
Net Profit for the year	731.88	332.42	186.61	381.03	182.67
Profit brought forward from previous year	2188.14	1855.72	1669.10	1288.07	1105.4
Excess carried forward to Balance Sheet	2920.01	2188.14	1855.72	1669.10	1288.07

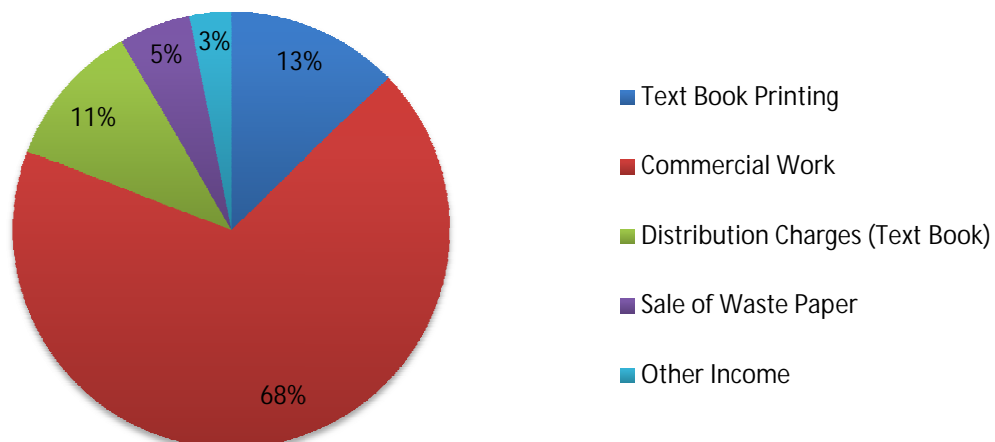
## Net Profit/Surplus during last five years



## COMPONENTS OF INCOME

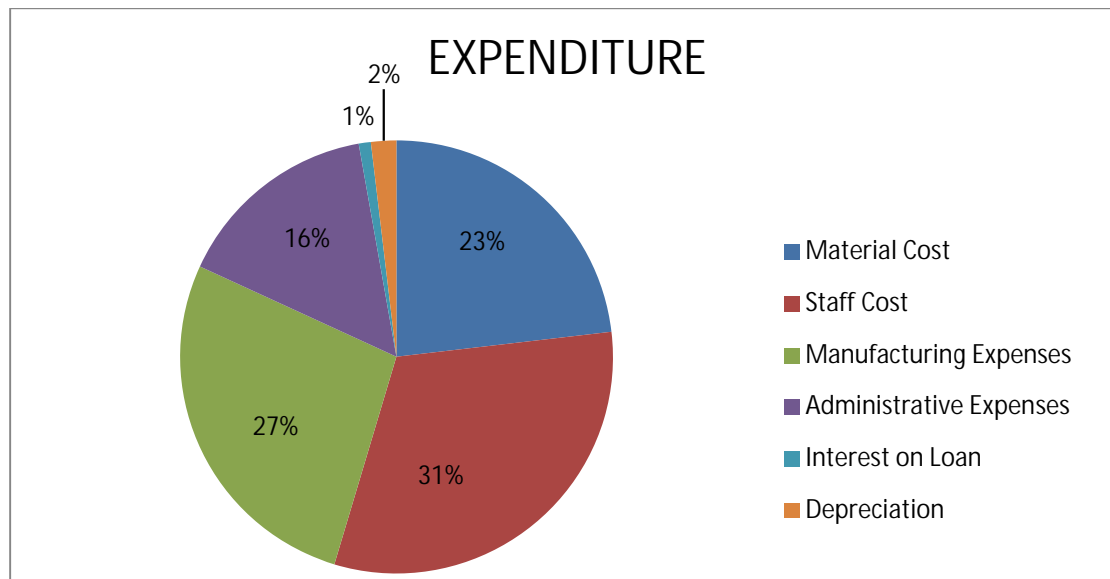
Particulars	Amount (In Lakhs)
Text Book Printing	687.69
Commercial Work	3670.91
Distribution Charges (Text Book)	581.42
Sale of Waste Paper	285.74
Other Income	165.72
Total	5391.48

## INCOME



## COMPONENTS OF EXPENDITURE

Particulars	Amount (In Lakhs)
Material Cost	997.34
Staff Cost	1357.32
Manufacturing Expenses	1173.45
Administrative Expenses	661.30
Interest on Loan	39.48
Depreciation	81.40
Total	4310.29



### Strengths

Kerala Books and Publications Society 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. The strength of the Society is that it is capable of carrying out and executes bulk print orders. This is mainly because of a team of well experienced workforce, suitable machineries employed and favourable working environment in the society.

### Weakness

It is an era of Information Technology. Rapid Technological changes are coming day by day. Hence KBPS is facing stiff competition, since it is lacking new sophisticated machinery in order to cope up with the modern sophisticated technology used by competitors. In addition to this the various complicated formalities from the part of Government also have an adverse impact. Another important problem is increasing labour turnover year after year. This will require filling the gap by way of

recruitment which may not give the desired result. On the other hand, 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

The scope of printing industry will remain bright and wide until there is consistent demand for printed materials like text books, lotteries, booklets, Journals etc. KBPS has realized the scope and utilized it to the maximum. This brought to the present level ie, as a major player in the public sector printing concern in the state. Of course skilled and experienced workforce is an asset to the society. Market is not a limiting factor to KBPS. There is scope for printing text books of other states and CBSE textbooks.

#### Threats

Emergence of Information Technology in all fields will adversely affect the printing sector. This can make KBPS less competitive and inefficient. In addition to this the implementation of tablet computers among school students will somehow adversely affect our text book production in long run.

#### Production attained during 2012-13

During the year 2012-13 the society has printed 371.34 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	7694.9	2504.47
2	Farm Information Bureau	13.283	208.061
3	CUSAT	16.66	32.713
4	Director of Health Service	22.403	202.889
5	Animal Disease Control	11.23	42.885
6	Coconut Development Board	5.248	120.043
7	District Rural Development Agencies	3.548	17.621
8	Kerala Institute of Local Administration	1.051	39.156
9	KSOS	0.719	26.987
10	Others	32.548	209.595
	Total	7801.59	3404.42

#### New Assignment

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

## Cost Effectiveness

Cost control has been effectively exercised and cost control measures are in place. Administrative and operative expenditures are regularized.

## New Machinery and Asset

Two new cutting machines were procured and installed. A new Forklift was purchased for loading of paper reels at the time of production of text books from warehouse to factory.

## Looking Forward .....

### Projects for 2013-14

- 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 three knife trimmer machine and a new lottery printing machine are also proposed to purchase during the period 2013-14. 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  
127<sup>th</sup> Governing Body Meeting held on 20.10.2012, 128<sup>th</sup> Governing Body Meeting held on 17.11.2012, 129<sup>th</sup> Governing Body Meeting held on 21.12.2012 and 130<sup>th</sup> Governing Body Meeting held on 23.03.2013.
- ❖ AGM held during the period: 1  
37<sup>th</sup> Annual General Body Meeting held on 17.11.2012.

## 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 :	21
No. of employees who were recruited during the year :	3
Permanent staff :	211
Others (contract) :	21

Apprentices/ Trainees :	8
Persons demised :	3
No. of employees who resigned during the year :	5

#### Welfare

The Group Medical Insurance Scheme for the employees of KBPS was continued in the year 2012-13 also. More than 211 Employees & 26 retired/resigned employees have benefited by availing 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 Devi Hospital Private Limited was conducted during November 2012 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 2012-13.

#### Auditors

M/s. Isaac & Suresh 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.