

Director's Report

Dear Governing Body Members,

We are delighted to present our 39th 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 2014, 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.

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 a leading courier company.

FINANCIAL HIGHLIGHTS

During the year, the society witnessed a growth of 19.89 % in Turnover under review over the previous year. The Society earned revenue of Rs. 6346.27 lakhs and expenditure incurred was Rs. 4502.57 lakhs and arriving at a surplus (After Tax) of Rs. 1214.13 lakhs. The Depreciation claimed was Rs.82.34 lakhs. The land and building in which the society is functioning are owned by Government of Kerala.

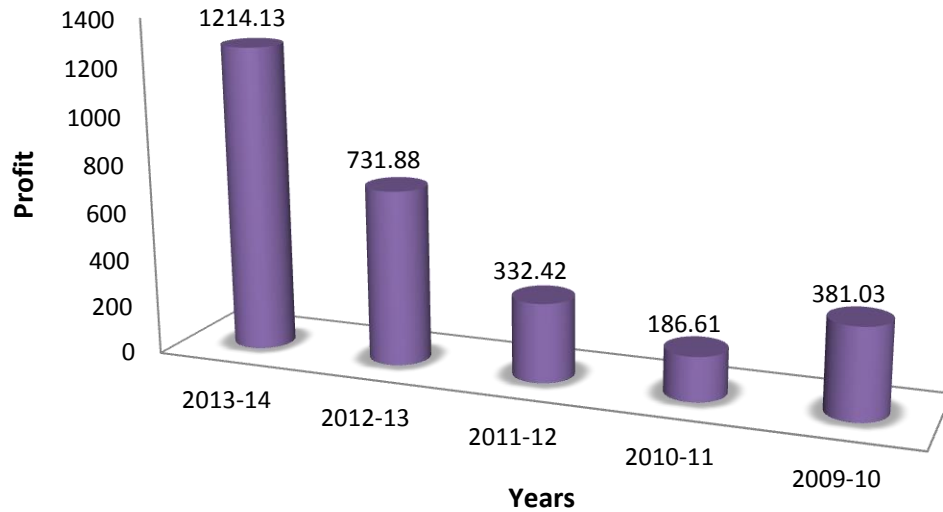
An amount of Rs. 7.02 lakhs per year is earmarked as lease rent to be paid to Government for use of land and building. The society has requested Government to transfer the ownership of the land and building to the society and steps are being taken at Government level to transfer the same.

Financial Results during last five years:

Rupees in Lakhs

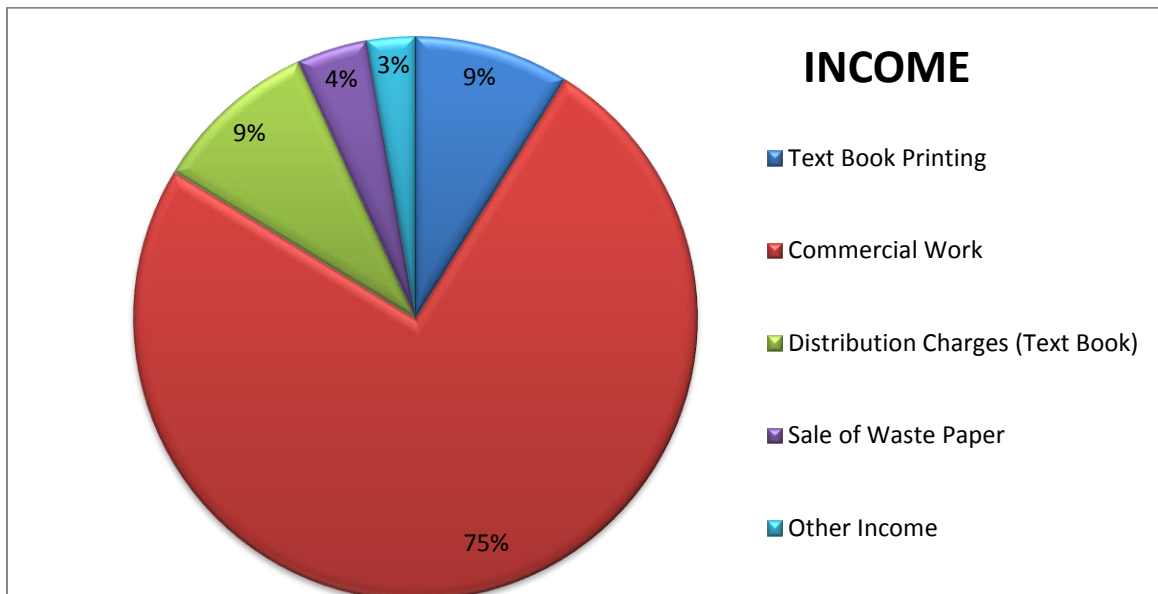
Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Sales & Operating Income	6346.27	5391.48	3695.77	2832.34	2394.35
PBDIT	1966.12	1202.08	647.77	384.45	534.13
Depreciation	82.34	81.40	80.97	87.42	40.90
Interest on Government Kerala Loan	40.08	39.48	38.89	38.29	37.69
Profit before prior period items & tax	1843.70	1081.20	527.91	258.74	455.54
Less: Prior period items & others	(.76)	12.21	44.39	(104.70)	(25.90)
Tax expenses	628.81	337.12	151.10	176.83	100.41
Net Profit for the year	1214.13	731.88	332.42	186.61	381.03
Profit brought forward from previous year	2920.01	2188.14	1855.72	1669.10	1288.07
Excess carried forward to Balance Sheet	4134.14	2920.01	2188.14	1855.72	1669.10

Net Profit/Surplus during last five years



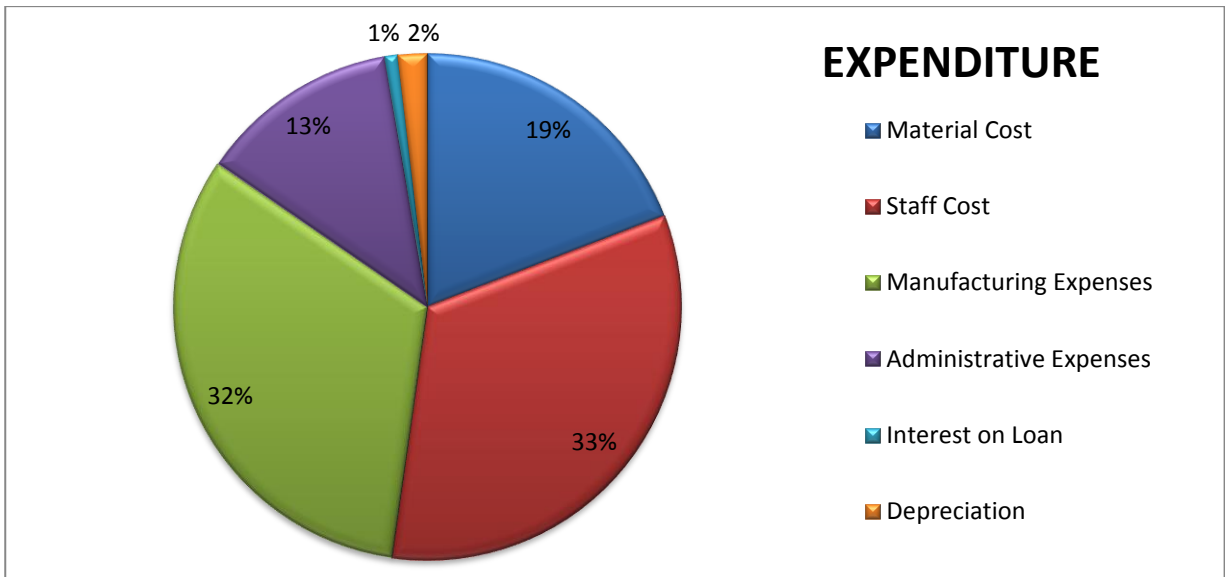
COMPONENTS OF INCOME: 2013-14

Particulars	Amount (In Lakhs)
Text Book Printing	564.41
Commercial Work	4747.69
Distribution Charges (Text Book)	601.99
Sale of Waste Paper	256.03
Other Income	176.15
Total	6346.27



COMPONENTS OF EXPENDITURE: 2013-14

Particulars	Amount (In Lakhs)
Material Cost	862.71
Staff Cost	1489.62
Manufacturing Expenses	1453.76
Administrative Expenses	574.06
Interest on Loan	40.08
Depreciation	82.34
Total	4502.57



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. Economies of scale is the cost advantage that KBPS obtain due to size. The greater the volume, the greater the advantages. This is mainly because of a team of well experienced workforce, suitable machineries employed and favorable 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. 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 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. 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.

Production attained during 2013-14

During the year 2013-14 the society has printed 234.03 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	10815.60	3523.01
2	Kerala Institute of Local Administration	27.60	273.90
3	Farm Information Bureau	14.08	221.75
4	Coconut Development Board	12.22	141.73
5	Higher Education Department	5.22	60.714
6	KSOS	1.47	59.37
7	Road Safety	9.81	42.23
8	CUSAT	25.76	38.87
9	KVASU	1.195	27.60
10	Others	82.605	190.786
Total		10995.56	4579.96

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.

Looking Forward

Projects for 2014-15

➤ 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 lottery printing machine and a variable data printing machine as an offline system is also proposed to purchase during the period 2014-15. 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

131st Governing Body Meeting held on 20-06-2013, 132nd Governing Body Meeting held on 07-10-2013, 133rd Governing Body Meeting held on 04-11-2013, and 134th Governing Body Meeting held on 10-01-2014

❖ AGM held during the period: 1

38th Annual General Body Meeting held on 04.11.2013.

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 :	192
Others (contract) :	70
Apprentices/ Trainees :	12
Persons demised :	1
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 2013-14 also. More than 213 Employees & 35 retired/relieved 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 December 2013 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 2013-14.

Auditors

M/s. Paulson & Company. Chartered Accountants, Ernakulam were our Statutory Auditors for the year under report and M/s. Isaac and Suresh. 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.