

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

**LIST OF GOVERNING BODY MEMBERS  
(During the Financial Year 2015-2016)**

- 
- 1) a) **Sri. Tomin J Thachankary IPS (ADGP)** - Chairman  
Chairman & Managing Director  
KBPS, Kakkanad – 682 030.  
(21-10-2015 to 31-03-2016)
- b) **Dr. Raju Narayana Swamy IAS** - Chairman  
Secretary to Government,  
Printing and Stationery  
Higher Education (H) Department  
Thiruvananthapuram  
(01.04.2015 to 20.10.2015)
- 2) **Sri. Tomin J Thachankary IPS (ADGP)** - Member  
Chairman & Managing Director  
KBPS, Kakkanad – 682 030.
- 3) **Sri. V.S Senthil IAS** - Member  
Additional Chief Secretary to Government,  
General Education Department,  
Secretariat Annexe,  
Thiruvananthapuram – 695 001
- 4) **Smt. M.S Jaya IAS** - Member  
Director of Public Instruction  
Jagathy, Thiruvananthapuram.
- 5) **Sri. M. Nandakumar IAS** - Member  
Director of Collegiate Education,  
Vikas Bhavan, Thiruvananthapuram
- 6) **Dr. J. Latha** - Member  
Vice Chancellor,  
Cochin University of Science & Technology,  
Thrikkakara, Kochi.

- 7) **Dr. K. Vijaya Kumar** - Member  
Director of Technical Education,  
Fort, Thiruvananthapuram
- 8) a) **Sri. P.R Sreekumar** - Member  
Director of Printing,  
Government Central Press, Thiruvananthapuram.
- b) **Sri. A.R Suresan** - 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) a) **Sri. K. Asokan** - Member  
Production Manager  
KBPS, Kakkanad – 682 030
- b) **Sri. K.S Naushad** - Member  
Production Manager i/c,  
KBPS, Kakkanad – 682 030
- 

Auditors: M/s Paulson and Co., Chartered Accountants,  
XXXVII/2830, Main Road, Kaloor, Kochi - 682017,  
Ph: 0484-4000869, 879, 889,899,4070859,2345520,2339220.  
Mob No: - 9447614100  
E-mail: Paulsonandcompany@gmail.com

Bankers:

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

## Directors Report

Dear Governing Body Members,

We are delighted to present our 41<sup>st</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 2016, 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 the Society have successfully completed the distribution of Volume I school text books in collaboration with the Postal department (India Post) and Volume II school text books by KBPS Distribution team. Government has entrusted KBPS with the task for the purchase of papers and collateral materials for printing of Textbooks for Two years vide G.O (MS)281/2015/G.Edn dated 05-11-2015.

### **FINANCIAL HIGHLIGHTS**

During the year, the society witnessed a growth of 25.05% in Turnover under review over the previous year. The Society earned revenue of Rs. 9574.27 lakhs and expenditure incurred was Rs. 6360.27 lakhs and arriving at a surplus (After Tax) of Rs. 1116.74 lakhs. The Depreciation claimed was Rs. 105.42 lakhs. The land and building in which the society is functioning are owned by Government of Kerala.

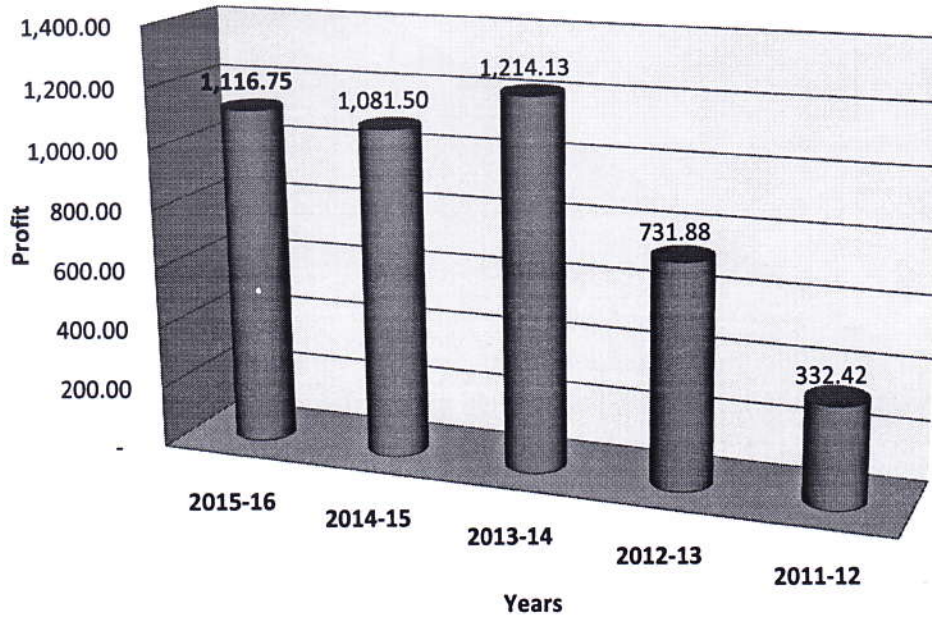
An amount of Rs. 7.02 lakhs per year is earmarked as lease rent to be paid to Government for use of land and building. The society has requested Government to transfer the ownership of the land and building to the society and steps are being taken at Government level to transfer the same.

### **Financial Results during last five years:**

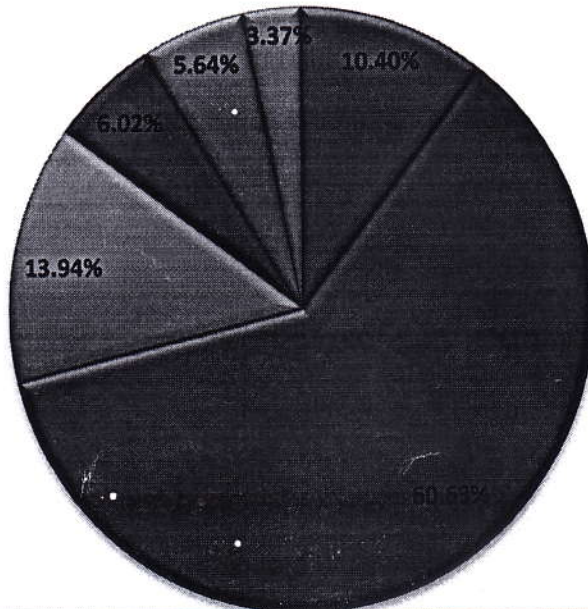
**Rupees in Lakhs**

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Sales & Operating Income	9574.27	6709.63	6346.27	5391.48	3695.77
PBDIT	3360.68	1817.35	1966.12	1202.08	647.77
Depreciation	105.42	70.91	82.34	81.40	80.97
Interest on Government of Kerala Loan	41.27	40.68	40.08	39.48	38.89
Profit before prior period items & tax	3213.99	1705.76	1843.70	1081.20	527.91
Less: Prior period items & others	17.46	36.47	(.76)	12.21	44.39
Less: Provision for Bad and Doubtful debts	936.76	-	-	-	-
Tax expenses	1143.02	587.79	628.81	337.12	151.10
Net Profit for the year	1116.75	1081.50	1214.13	731.88	332.42
Profit brought forward from previous year	5215.64	4134.14	2920.01	2188.14	1855.72
Excess carried forward to Balance Sheet	6332.39	5215.64	4134.14	2920.01	2188.14

### Net Profit/Surplus during last five years



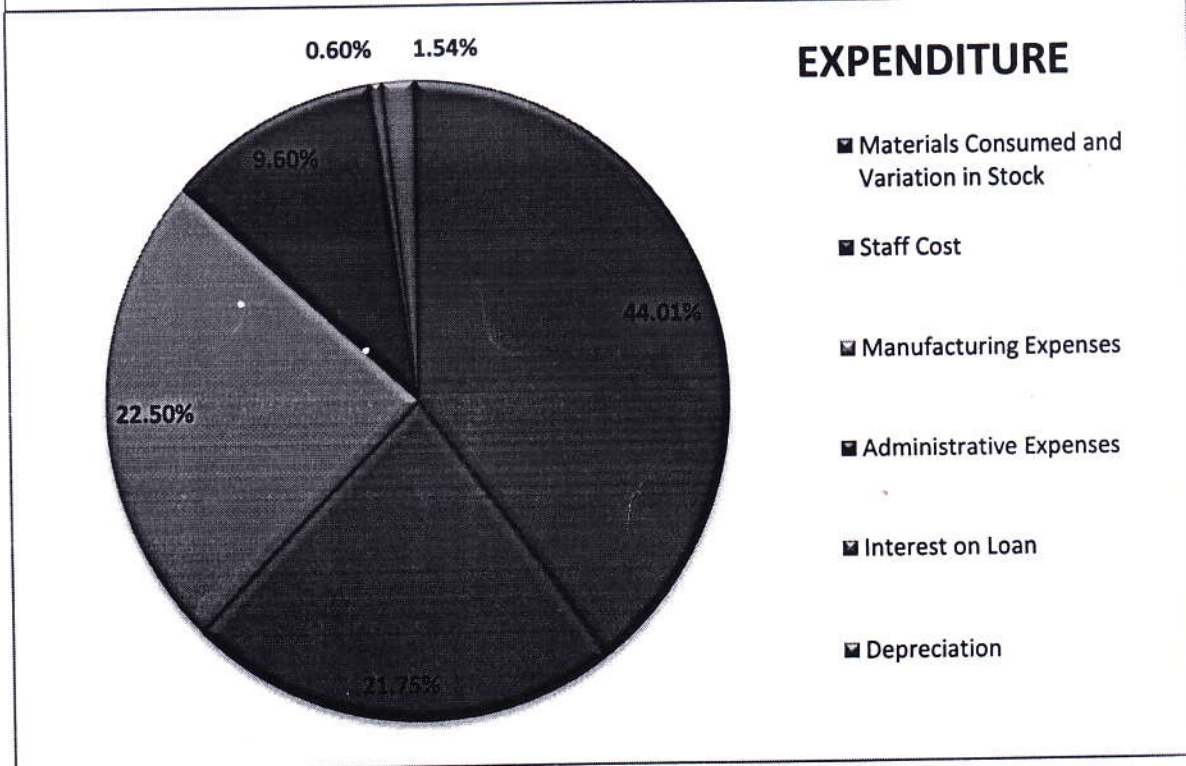
COMPONENTS OF INCOME: 2015-16	Amount (In Lakhs)
Text Book Printing	997.82
Commercial Work	5815.42
Paper Purchase Charges (Text Book)	1337.28
Distribution Charges (Text Book)	577.42
Sale of Waste Paper	541.00
Other Income	305.32
<b>Total</b>	<b>9574.26</b>



### INCOME

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

COMPONENTS OF EXPENDITURE: 2015-16	Amount (In Lakhs)
Materials Consumed and Variation in Stock	2532.16
Staff Cost	1433.44
Manufacturing Expenses	1544.01
Administrative Expenses	703.97
Interest on Loan	41.27
Depreciation	105.42
<b>Total</b>	<b>6360.27</b>



### 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**

The Society constructed a new Waste Paper Godown in the premises of KBPS during the year and procured one Orient X-cel (36000) web offset printing machine and a Fully Automatic Three Knife Trimmer.

### **New Assignment**

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

### Production attained during 2015-16

During the year 2015-16 the society has printed 383.08 lakhs text books. Society has also undertaken the following printing works:

Sl. No	Commercial Production	Copies in lakhs	Value in lakhs (Rs.)
1	Kerala State Lotteries	14366.50	4707.288
2	Farm Information Bureau	15.39	263.233
3	Coconut Development Board	9.54	144.307
4	Election (Equipment) Department	4.00	85.900
5	APJ Abdul Kalam Technological University	22.12	81.627
6	Kerala State Open School	1.79	81.427
7	Mahatma Gandhi University	17.94	71.888
8	Cochin University of Science & Technology	30.05	60.672
9	Public Relation Department	21.01	54.872
10	Others	71.35	344.004
<b>Total</b>		<b>14559.69</b>	<b>5895.218</b>

Looking Forward .....

### Projects for 2016-17

#### ➤ Procurement Strategy, Staffing , Modernization

During the coming year the society plans to recruit employees to fill up the vacancies in technical and production wing. Fresh hands will be taken through Employment Exchange/Open Call.

#### ➤ Plant Expansion, Capital Projects

An Online bar-coding with Q.R code printing system that is to be attached with our existing lottery printing machine – Harris M – 300 web offset printing machine and three fully automatic programmable single knife paper cutting machine are proposed to purchase during the period 2016-17. 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  
139<sup>th</sup> Governing Body Meeting held on 29-09-2015, 140<sup>th</sup> Governing Body Meeting held on 25-11-2015, 141<sup>st</sup> Governing Body Meeting held on 22-12-2015, and 142<sup>nd</sup> Governing Body Meeting held on 25-01-2016
- ❖ AGM held during the period: 1  
40<sup>th</sup> Annual General Body Meeting held on 28-10-2015.

### 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 :	8
No. of employees who were recruited during the year :	20
Permanent staff :	192
Others (contract) :	1
Apprentices/ Trainees :	17
Persons demised :	1
No. of employees who resigned during the year :	2

### Welfare

The Group Medical Insurance Scheme for the employees of KBPS was continued in the year 2015-16 also. More than 184 Employees & 60 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 eligible employees of KBPS. An executive Health check up camp under M/s Hi-Tech Diagnosis Centre, Palarivattom was conducted during December 2015 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 2015-16.

### 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, Department of Higher Education, State Lottery, Directorate of Health Service, Farm Information Bureau, Public Relation Department, Police Department, Election Department, Coconut Development Board, KILA, Universities, 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**

**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, 2016, 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. Balances of Debtors, Creditors and Advances (debit/credit) are subject to confirmation. We have been informed that the Society has sent memos requesting confirmation to all Sundry Debtors, Creditors and advance holders, but have not been returned back to the Society. Hence, no balance confirmation statements have been produced before us, to our satisfaction. Accordingly, the consequential effect of the above, on the financial statements, on account of non-confirmation from debtors, creditors and advance holders is not ascertainable.
2. Note No. 5 clause (a) regarding Vouchers/Evidences in support of the expenses debited to the Income and Expenditure account to the tune of Rs. 207.27 Lakhs, on account of transportation and loading and unloading expenses incurred for and in connection with the distribution charges of text books in the year 2015-16, expenses amounting to Rs. 96.36 Lakhs are supported by internal vouchers only.
3. Note No. 6, with regard to unrecognized income for text book printing charges 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 clause (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 TDS credit receivable relating to earlier financial years Rs. 34,01,060/-. As the society has not claimed the same in the Income Tax returns for the respective years, the chances of recoverability of the said amounts are doubtful.
6. Note no. 23, regarding the TDS credit accounted Rs. 47,647/-. With regard to TDS deducted and paid to Income Tax on behalf of various Government Departments. As the Government Departments has not filed their TDS returns, the chances of getting credit for the said amount are doubtful.
7. Note No. 30, regarding non-recognition of income to the tune of Rs. 946.07 Lakhs on account of rate revision of lottery printing charges, sanctioned by the Taxes Department, Government of Kerala, during the year. The above amount has been invoiced and accepted only in the financial year 2016-17.
8. With reference (E)(2)(c) of significant accounting policies, regarding non recognition in the books of the society, the deposits of KBPS Pension Fund amounting to Rs. 4,41,46,507/-, and interest thereon of Rs. 33,40,135/-, in the context of non-constitution of the said funds, as separate entities.





9. With reference to (I) of significant accounting policies, regarding adoption of AS-22, 'Accounting for Taxes on Income'. The society has not adopted the same during the financial year and consequently, has not provided for any deferred tax asset/liability, in the books.

**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 9 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, 2016;  
(b) In the case of the Income and Expenditure Statement, of the Excess of Income over Expenditure for the year ended 31<sup>st</sup> March, 2016.

**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.
2. Note No. 24, regarding Non-Payment/Non Provision of Service Tax and other Union Indirect Taxes prescribed by the relevant Acts, in the light of the clarifications sought from the Central Excise Department. The Society may take the necessary registrations under the concerned Acts with the respective authorities and ensure compliance.
3. Note No. 29, regarding advances to staff for meeting distribution expenses of text books. These advances are not settled in a timely manner, resulting in excessive staff advance at various points of time.
4. On evaluation of the system in place in KBPS, it is observed that KBPS has no established disaster management/ recovery and business continuity plan.

Place: Kochi-682 017,

Date: 3rd April 2017



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

**BALANCE SHEET AS AT MARCH 31, 2016**

DESCRIPTION	SCH No		March 31,2016	March 31,2015
			(Figures in Rupees)	
<b>I SOURCES OF FUNDS:</b>				
PERMANENT CAPITAL LOAN	I		5,000,000.00	5,000,000.00
RESERVES AND SURPLUS	II		643,996,577.93	532,322,154.48
LOAN FUNDS	III		95,933,784.02	91,806,345.43
<b>Total :</b>			<b>744,930,361.95</b>	<b>629,128,499.91</b>
<b>II APPLICATIONS OF FUNDS:</b>				
FIXED ASSETS	IV	227,119,492.31		
a) Gross block		149,517,250.52		
b) Less: Depreciation fund				
c) Net block			<b>77,602,241.79</b>	<b>40,772,805.11</b>
INVESTMENTS: (At cost,trade,unquoted)				
Shares in KBP Employees Cooperative Society			<b>100,000.00</b>	<b>100,000.00</b>
CURRENT ASSETS, LOANS AND ADVANCES				
a) Inventories	V		162,772,135.80	84,091,959.48
b) Sundry debtors	VI		433,736,935.11	221,690,650.05
c) Cash and bank balances	VII		355,494,412.50	354,046,474.23
d) Interest accrued but not due on fixed deposit			11,397,765.56	6,003,025.99
e) Loans and advances	VIII		76,653,583.62	71,868,262.74
<b>(A)</b>			<b>1,040,054,832.59</b>	<b>737,700,372.49</b>
Less: CURRENT LIABILITIES AND PROVISIONS	IX			
a) Current liabilities			147,923,249.01	69,147,953.69
b) Provisions			224,903,463.42	80,296,724.00
<b>(B)</b>			<b>372,826,712.43</b>	<b>149,444,677.69</b>
<b>NET CURRENT ASSETS</b>	<b>(A-B)</b>		<b>667,228,120.16</b>	<b>588,255,694.80</b>
<b>Total :</b>			<b>744,930,361.95</b>	<b>629,128,499.91</b>
Significant Accounting Policies and Notes on Accounts	XIV			

For and on behalf of the Governing Body

**Tomin J. Thachankary, IPS**  
Chairman & Managing Director

**M.P.Salim**  
GB Member Finance

**R. Sasikala**  
GB Member Stationery

**CA. K P Paulson**  
Partner, Membership No. 021855

As per our report attached.  
For **PAULSON & COMPANY** for Paulson and Co.  
Chartered Accountants Chartered Accountants  
Firm registration number :002620S

**CA. K. P. PAULSON**  
LL.B, FCA, DISA (ICAI)  
Membership No. 21855, FR No. 002620S  
PARTNER




Date: 03/04/2017  
Kochi : 682030

**KERALA BOOKS AND PUBLICATIONS SOCIETY, KAKKANAD, KOCHI - 682 030.**  
**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31,2016**

DESCRIPTION	SCH No	March 31,2016	March 31,2015
		(Figures in Rupees)	
<b>INCOME:</b>			
Printing charges	X	99,781,951.00	84,905,893.00
Printed material charges		581,542,091.61	469,079,916.84
Sale of waste paper		54,099,966.35	34,106,024.44
Distribution Charge ( Text Books)		57,741,955.82	57,413,758.73
Paper Purchase (Text Book)		133,728,305.90	-
Miscellaneous income		30,532,486.89	25,457,097.61
<b>Total:</b>		<b>957,426,757.57</b>	<b>670,962,690.62</b>
<b>EXPENDITURE:</b>			
Materials and stores consumed	XI (1)	282,119,408.66	117,889,652.09
Variation in stock	XI (2)	(28,903,192.73)	27,509,415.25
Manufacturing and administrative expenses	XII	368,141,923.91	343,828,177.91
Interest on Government of Kerala loans	IV	2,216,652.00	2,216,652.00
Penal interest on Government of Kerala loans		1,910,786.59	1,851,078.66
Depreciation		10,541,908.41	7,091,240.14
<b>Total:</b>		<b>636,027,486.84</b>	<b>500,386,216.05</b>
Net surplus	XIII	321,399,270.73	170,576,474.57
Less : Prior period income/ expenses		29,000.00	58,335.50
Less: Income Tax paid for previous year		1,717,321.00	3,588,991.00
Less : Provisions:		319,652,949.73	166,929,148.07
(a) For Income Tax - Current Year		114,302,271.00	58,779,427.00
(b) For Bad and Doubtful debts	93,676,255.28	-	
<b>Excess of income over expenditure, for the year</b>		<b>111,674,423.45</b>	<b>108,149,721.07</b>
Add: Excess of income over expenditure brought forward from previous year		521,563,749.48	413,414,028.41
<b>Excess of income over expenditure transferred to Balance Sheet</b>		<b>633,238,172.93</b>	<b>521,563,749.48</b>
Significant Accounting Policies and Notes on Accounts	XIV		

For and on behalf of the Governing Body

  
**Tomin J. Thachankary, IPS**  
 Chairman & Managing Director

  
**M.P. Salim**  
 GB Member Finance

**R. Sasikala**  
 GB Member Stationery

For **PAULSON & COMPANY**  
 As per our report attached.  
 Chartered Accountants  
 for Paulson and Co.  
 Chartered Accountants  
 Firm registration number : 002620S  
**CA. K.P. PAULSON**  
 LL.B, FCA, DISA (ICAI)  
 Membership No. 21855; FR No. 002620S  
 PARTNER



Date: 02.04.2017  
 Kochi : 682030

**KERALA BOOKS AND PUBLICATIONS SOCIETY:2015-16**

**SCHEDULE - I**

PERMANENT CAPITAL LOAN	March 31,2016	March 31,2015
	(Figures in Rupees)	
From Government of Kerala	5,000,000.00	5,000,000.00
<b>Total:</b>	<b>5,000,000.00</b>	<b>5,000,000.00</b>

**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 01.04.2015 to 31.03.2016 amounting to Rs. 3.93 lacs (Previous year: Rs. 3.80 lacs). The Society is yet to pay Rs. 220.80 lacs (Previous year Rs. 211.87 lacs) being interest (including penal interest) accrued on the above loan from 29.10.1984 to 31.03.2016.

**SCHEDULE - II**

RESERVES AND SURPLUS	March 31,2016	March 31,2015
	(Figures in Rupees)	
Investment subsidy	374,405.00	374,405.00
Grant from Government of India	6,216,000.00	6,216,000.00
Grant from Government of Kerala	4,168,000.00	4,168,000.00
<b>Total: (A)</b>	<b>10,758,405.00</b>	<b>10,758,405.00</b>
<b>CAPITAL RESERVES</b>		
<b>GENERAL RESERVE</b>		
Excess of income over expenditure brought forward from Income and Expenditure account	633,238,172.93	521,563,749.48
<b>Total:(B)</b>	<b>633,238,172.93</b>	<b>521,563,749.48</b>
<b>Grand Total (A)+(B)</b>	<b>643,996,577.93</b>	<b>532,322,154.48</b>

**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 2015-16 is Rs. 6332.38 lacs. Out of this Rs. 1116.74 lacs belongs to the excess of Income over Expenditure for the year and Rs. 5215.64 lacs belongs to the previous year.



**KERALA BOOKS AND PUBLICATIONS SOCIETY : 2015-16**

**SCHEDULE - III**

UNSECURED LOAN			March 31,2016	March 31,2015
			(Figures in Rupees)	
<b>1. For purchase of Harris model offset printing machine</b>				
a) State Government portion :	Principal	1,445,000.00		1,445,000.00
	Interest	4,946,609.42		4,744,309.42
		<b>6,391,609.42</b>		<b>6,189,309.42</b>
	Penal interest	2,304,765.39		2,128,996.13
			<b>8,696,374.81</b>	<b>8,318,305.55</b>
b) Central Government Portion :	Principal	9,409,008.00		9,409,008.00
	Interest	19,581,211.18		18,710,878.18
		<b>28,990,219.18</b>		<b>28,119,886.18</b>
	Penal interest	9,625,488.16		8,828,257.13
			<b>38,615,707.34</b>	<b>36,948,143.31</b>
<b>2. For purchase of HMT machine :</b>				
	Principal	200,135.00		200,135.00
	Interest	674,988.60		646,969.60
		<b>875,123.60</b>		<b>847,104.60</b>
	Penal interest	293,661.27		269,595.37
			<b>1,168,784.87</b>	<b>1,116,699.97</b>
<b>3. For purchase of Muller Martini Saddle Switcher machine:</b>				
	Principal	1,900,000.00		1,900,000.00
	Interest	6,488,213.30		6,222,213.30
		<b>8,388,213.30</b>		<b>8,122,213.30</b>
	Penal interest	2,875,243.09		2,644,567.22
			<b>11,263,456.39</b>	<b>10,766,780.52</b>
<b>4. For purchase of spare parts and machinery:</b>				
	Principal	2,500,000.00		2,500,000.00
	Interest	8,055,293.00		7,705,293.00
		<b>10,555,293.00</b>		<b>10,205,293.00</b>
	Penal interest	3,554,440.92		3,264,170.36
			<b>14,109,733.92</b>	<b>13,469,463.36</b>
<b>5. Interest accrued and due on Permanent capital loan:</b>				
	Interest	15,710,958.90		15,210,958.90
	Penal interest	6,368,767.79		5,975,993.82
			<b>22,079,726.69</b>	<b>21,186,952.72</b>
	<b>Total:</b>		<b>95,933,784.02</b>	<b>91,806,345.43</b>

**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. 1.76 lacs (Previous year: Rs. 1.70 lacs) @ 2.75% for the belated remittance of principal and interest pertaining to the period from 01.04.2015 to 31.03.2016. 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. 7.97 lacs (Previous year Rs. 7.73 lacs) @ 2.75% for the belated remittance of principal and interest pertaining to the period from 01.04.2015 to 31.03.2016. 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. 5.45 lacs (Previous year Rs. 5.27 lacs) @ 2.75% for the belated remittance of principal and interest pertaining to the period from 01.04.2015 to 31.03.2016.





KERALA BOOKS AND PUBLICATIONS SOCIETY : 2015-16

SCHEDULE - IV-FIXED ASSETS

(Figures in Rs.)

Description	As on 01.04.15	Gross block				As on 31.03.16	Rate	Up to 31.03.15	Depreciation			Net block	
		Before 30.09.15	After 30.09.15	Total Additions	Total Deletions				For the year	On deletions during the year	Up to 31.03.16	As on 31.03.16	As on 31.03.15
<b>Land and buildings:</b>													
Land development expenditure	109,303.19	-	-	-	-	-	-	-	-	-	-	-	109,303.19
Water supply works	206,785.70	-	-	-	-	10%	195,786.66	1,099.90	-	196,886.56	-	9,899.14	10,999.04
Building	8,712,839.65	-	4,094,542.98	4,094,542.98	-	10%	4,111,975.83	664,813.53	-	4,776,789.36	-	8,030,593.27	4,600,863.82
<b>Plant and machinery:</b>													
Fire fighting equipments	251,890.14	37,834.89	-	37,834.89	-	15%	148,071.68	21,248.00	-	169,319.68	-	120,405.35	103,818.46
Process room equipments	224,305.71	-	-	-	-	15%	223,514.36	118.70	-	223,633.06	-	672.65	791.35
Composing room equipments	47,254.76	-	-	-	-	15%	46,999.02	38.36	-	47,037.38	-	217.38	255.74
Plant and machinery	152,056,664.73	9,943,957.00	30,900,607.82	40,844,564.82	-	15%	119,866,307.62	8,637,602.70	-	128,503,910.32	-	64,396,719.23	32,189,757.11
Factory equipments	1,409,794.45	-	-	-	-	15%	1,347,646.67	9,322.17	-	1,356,968.84	-	52,825.61	62,147.78
Gardening equipment	19,715.58	-	-	-	-	15%	13,395.23	948.05	-	14,343.28	-	5,372.30	6,320.35
Electrical installation	1,922,003.50	36,346.96	-	36,346.96	-	15%	1,721,777.30	35,485.97	-	1,757,263.27	-	201,087.19	200,226.20
Weight bridge	261,424.80	-	-	-	-	15%	259,077.91	352.03	-	259,429.94	-	1,994.86	2,346.89
Plant and machinery installed but not in use	902,173.74	-	-	-	-	15%	899,186.03	448.16	-	899,634.19	-	2,539.55	2,987.71
Air conditioner	409,514.92	-	96,000.00	96,000.00	-	15%	211,657.22	36,878.66	-	248,535.88	-	256,979.04	197,857.70
Telephone installation	356,258.50	-	-	-	-	15%	260,400.99	14,378.63	-	274,779.62	-	81,478.88	95,857.51
Telephone	26,900.00	-	-	-	-	15%	13,911.19	1,948.32	-	15,859.51	-	11,040.49	12,988.81
Water cooler	53,360.00	-	-	-	-	15%	37,456.17	2,385.57	-	39,841.74	-	13,518.26	15,903.83
Office and other equipments	646,927.71	-	-	-	-	15%	606,134.20	6,119.03	-	612,253.23	-	34,674.48	40,793.51
Computer and accessories	5,296,542.23	669,180.84	67,690.00	736,870.84	-	60%	4,865,896.93	680,202.68	-	5,546,099.61	-	487,313.46	430,645.30
<b>Furniture and fixtures:</b>													
Electrical fittings	103,868.80	-	672,028.00	672,028.00	-	10%	52,944.55	38,693.83	-	91,638.38	-	684,238.42	50,924.25
Furniture and fittings	3,632,457.21	112,962.00	137,529.00	250,491.00	-	10%	2,256,027.42	155,815.63	-	2,411,843.05	-	1,471,105.16	1,376,429.79
Canteen furniture	203,337.80	21,755.00	-	21,755.00	-	10%	188,134.98	3,695.78	-	191,830.76	-	33,262.04	15,202.82
<b>Other assets :</b>													
Library	9,847.04	-	3,300.00	3,300.00	-	10%	7,233.70	426.33	-	7,660.03	-	5,487.01	2,613.34
<b>Vehicles :</b>													
Motor vehicle	2,884,432.41	-	577,610.60	577,610.60	-	15%	1,640,668.83	229,885.33	-	1,870,554.16	-	1,591,488.85	1,243,763.58
Cycle	1,144.65	-	-	-	-	15%	1,137.62	1.05	-	1,138.67	-	5.98	7.03
<b>Total:</b>	179,748,147.22	10,822,056.69	36,549,308.40	47,371,345.09	50,000.00		227,119,492.31	10,541,908.41	23,899.69	149,517,250.52	40,772,805.11	46,180,323.74	
<b>Previous Year</b>	178,068,657.22	907,216.00	822,274.00	1,729,490.00	-		179,748,147.22	7,115,139.83	-	138,975,342.11	40,772,805.11	46,180,323.74	



**KERALA BOOKS AND PUBLICATIONS SOCIETY:2015-16**

**CURRENT ASSETS, LOANS AND ADVANCES**

**A. CURRENT ASSETS**

**SCHEDULE- V**

INVENTORIES	March 31,2016	March 31,2015
	(Figures in Rupees)	
(As valued, verified and certified by the Managing Director):		
a) Raw materials	93,612,028.41	47,468,827.33
b) Printing materials including printing charges	37,278,051.81	8,170,119.29
c) Miscellaneous stores, spares, electrical goods and uniform cloth	18,753,026.37	14,998,770.00
d) Loose tools on revaluation	1,676,386.54	1,796,860.40
e) Work-in-progress: Text books, lottery tickets etc. under printing	11,452,642.67	11,657,382.46
<b>Total:</b>	<b>162,772,135.80</b>	<b>84,091,959.48</b>

**SCHEDULE - VI**

SUNDRY DEBTORS	March 31,2016	March 31,2015
	(Figures in Rupees)	
(Unsecured, considered good subject to confirmation)		
1 Commissioner of Commercial Taxes	901,438.79	241,776.79
2 Kerala State Open School	6,571,549.92	
Less : Provision for doubtful debts	359,081.50	
3 DPI for Text book distribution (15-16,14-15, 13-14 , 12-13 & 11-12 )	6,212,468.42	7,699,422.42
4 DPI for Text book Printing (15-16 & 14-15)	120,302,739.00	81,694,116.00
5 Animal Disease Control Project	53,541,632.39	-
6 Animal Husbandary Department	443,650.00	753,600.00
7 Cochin University of Science and Technology	-	16,041.00
8 Commissioner of Government Examinations	1,747,541.20	133,727.20
9 Director of Health Services	32,791.00	32,791.00
10 Director of Higher Secondary Education/ SCERT	1,383,858.90	1,383,858.90
11 Director of State Lotteries	12,707,746.67	12,707,746.67
12 Transport Commissionerate	161,703,375.06	75,098,325.06
13 District Rural Development Agency	422,250.00	1,197,857.00
14 Farm Information Bureau	745,097.60	791,745.60
15 Forestry Information Bureau	14,363,913.37	11,305,556.37
16 Hindustan Newsprint Limited	205,086.00	785,808.00
17 Institute of Land and Disaster Management	10,498,118.44	842,803.44
18 Kannur University	45,150.00	145,275.00
19 Kerala Institute of Local Administration	84,450.77	84,450.77
20 Kerala State Road Transport Corporation	4,119,489.75	1,835,856.75
21 Kudumbasree	(70,751.15)	213,498.85
22 Labour Commissioner	112,912.20	160,462.20
23 Education Department	36,541.77	84,215.77
24 Mahatma Gandhi University	1,234,423.00	1,234,423.00
25 NRHM Directorate	7,836,812.80	9,718,461.80
26 Public Relations Department	742,549.00	548,166.00
27 Sree Sankaracharya University of Sanskrit	5,389,465.80	2,705.80
28 State Council of Education, Research and Training	471,426.00	285,400.00
29 Travancore Devaswom Board	3,335,908.50	4,051,274.50
30 Others	909,668.00	423,612.00
<b>Total:</b>	<b>433,736,935.11</b>	<b>221,690,650.05</b>



**KERALA BOOKS AND PUBLICATIONS SOCIETY:2015-16**

**SCHEDULE - VII**

CASH AND BANK BALANCES	March 31,2016	March 31,2015
	(Figures in Rupees)	
i) Cash and stamps on hand	3,133.23	7,691.59
ii) Balance with scheduled banks and treasuries		
<b><u>A In Savings bank accounts:</u></b>		
a) Union Bank of India, Thrikkakara	38,846,093.96	50,655,603.43
b) State Bank of Travancore, Civil station branch	612,872.87	15,648,225.70
c) State Bank of India, Ernakulam	458,062.91	440,275.91
d) Ernakulam District Co-operative Bank	121,728.32	160,630.39
e) State Bank of India (CEPZ)	1,445,857.00	762,686.00
<b><u>B In Current bank accounts:</u></b>		
a) State Bank of Travancore, Civil station branch	6,747,318.00	93,339.00
<b><u>C In term deposits:</u></b>		
a) Dena Bank FD	-	21,419,403.00
b) Corporation Bank FD	-	57,579,454.00
c) Bank of Baroda FD	-	43,873,189.00
d) Indian Overseas Bank FD	-	27,269,689.00
e) State Bank of Travancore FD	63,488,944.00	61,963,159.00
f) Union Bank of India FD	178,182,041.00	-
g) SBI CEPZ FD No. 35688115895	62,281,900.00	-
<b><u>D In Treasury accounts:</u></b>		
a) Principal Sub-Treasury , Trivandrum	3,306,461.21	74,173,128.21
<b>Total:</b>	<b>355,494,412.50</b>	<b>354,046,474.23</b>

**B. LOANS AND ADVANCES**

**SCHEDULE- VIII**

LOANS AND ADVANCES	March 31,2016	March 31,2015
	(Figures in Rupees)	
Advances recoverable in cash or kind or for value to be received (Unsecured, considered good)		
a) <b><u>Staff advances</u></b>		
Festival advance	1,027,300.00	1,049,400.00
Others	68,590.65	1,280,469.14
	1,095,890.65	2,329,869.14
b) <b><u>Other advances</u></b>		
Postal Department	(6,693,502.00)	1,891,501.00
Distribution Advance	595,685.50	65,868.50
Prepaid expenses	5,005,062.80	3,709,355.84
Others	713,971.38	1,480,154.58
	(378,782.32)	7,146,879.92
c) <b><u>Deposits</u></b>		
Kerala State Electricity Board	1,628,677.00	1,438,907.00
PWD Godown deposit	45,668.00	674,798.00
Telephone Deposits - BSNL	31,927.50	31,927.50
Others	126,480.00	101,480.00
	1,832,752.50	2,247,112.50
d) Income tax deducted at source	16,445,969.18	15,144,401.18
e) KVAT Receivables	157,753.61	-
f) Advance Tax Payment	57,500,000.00	45,000,000.00
<b>Total:</b>	<b>76,653,583.62</b>	<b>71,868,262.74</b>



**KERALA BOOKS AND PUBLICATIONS SOCIETY : 2015-16**

**CURRENT LIABILITIES AND PROVISIONS**

**SCHEDULE - IX**

**A. CURRENT LIABILITIES**

CURRENT LIABILITIES	March 31,2016		March 31,2015
	(Figures in Rupees)		
<b>1. Sundry creditors (Subject to confirmation)</b>			
a)Government of Kerala	6,549,736.77		
Add: Sale of waste paper during the year	2,215,227.00	<b>8,764,963.77</b>	<b>6,549,736.77</b>
b)Director of Public Instruction		-	(4,263,982.39)
Add: Rebate to DPI		7,590,595.21	7,590,595.21
Text book paper used for commercial printing		21,205,067.00	21,205,067.00
		<b>28,795,662.21</b>	<b>24,531,679.82</b>
c)Directorate of Vocational Higher Secondary Education		-	-
Excel Graphics		145,850.00	-
Smart Graphics		299,450.00	282,120.00
Futura Automation		273,825.00	-
Delta Paper Mills Limited		1,300,000.00	705,714.00
Others		43,793.50	(2,594,447.45)
		<b>2,062,918.50</b>	<b>(1,606,613.45)</b>
<b>2 Other liabilities</b>			
a) Creditors for expenses:			
Rent of premises		23,653,143.04	22,998,018.04
Electricity charges Payable		-	942,466.00
Audit fee payable		90,000.00	75,000.00
Others		3,159,701.40	2,179,976.27
		<b>26,902,844.44</b>	<b>26,195,460.31</b>
b) Dues to Government/semi Government agencies:			
CPF contribution		17,945.05	19,505.05
ESI contribution		361,692.72	316,952.51
Income tax deducted at source		565,206.00	300,622.00
Value added tax and Central sales tax		2,654,483.14	2,450,117.89
		<b>3,599,326.91</b>	<b>3,087,197.45</b>
c) Payable to staff:			
Dearness allowance arrears		425,311.31	2,020,691.00
Others		759,488.96	3,856,270.00
		<b>1,184,800.27</b>	<b>5,876,961.00</b>
d) Others:			
Earnest money and security deposit		8,509,695.00	2,853,976.00
Director of Public Instruction Gunny Bags		1,520,356.56	1,520,356.56
KBPS Employees Welfare Association		-	(1,688.00)
Advance from Customers		66,199,634.10	(72,060.00)
Others		383,047.25	212,947.23
		<b>76,612,732.91</b>	<b>4,513,531.79</b>
<b>Total: 1(a)+1(b)+1(c)+2(a)+2(b)+2(c)+2(d)</b>		<b>147,923,249.01</b>	<b>69,147,953.69</b>

**KERALA BOOKS AND PUBLICATIONS SOCIETY : 2015-16**

**B. PROVISIONS**

PROVISIONS	March 31,2016	March 31,2015
	(Figures in Rupees)	
1. Performance allowance payable	7,163,231.14	6,914,948.00
2. Ex-gratia payable a/c	152,000.00	152,000.00
3. Provision for Income tax	114,302,271.00	58,779,427.00
4. Provision for surrender leave salary	8,938,385.00	8,357,040.00
5. Provision for Doubtful Distribution Charges	81,694,116.00	-
6. Provision for Old and Doubtful Debts	11,982,139.28	-
7. Provision for Pension contribution	671,321.00	6,093,309.00
<b>Total:</b>	<b>224,903,463.42</b>	<b>80,296,724.00</b>

**SCHEDULE - X**

MISCELLANEOUS INCOME		March 31,2016	March 31,2015
		(Figures in Rupees)	
Interest received		23,528,206.57	22,329,197.99
Sale of scrap		2,039,136.19	1,299,906.20
Discount received		470,321.54	159,066.75
Divident Received		25,000.00	50,000.00
Sale of tender form		896,243.80	260,061.00
Forfeited EMD/SD		2,500.00	102,400.00
Rent from KBPE Co-operative Society		37,776.00	37,776.00
<b>Others</b>			109,856.82
Gain/Loss on Foreign Exchange	2,148.79		900.00
Guest house rent	300.00		1,045,662.85
Miscellaneous Income	191,168.00		-
Penalty (Recovery)	1,194,518.00		-
Private use of KBPS Vehicle	-		-
Profit/Loss on Sale of Fixed Asset	-		42,900.00
Training and visit	36,190.00		19,370.00
Stipend Received	-		-
Reversal of excess 3% pension contribution from 2011-2015	2,108,978.00		-
		3,533,302.79	1,218,689.67
<b>Total:</b>		<b>30,532,486.89</b>	<b>25,457,097.61</b>



KERALA BOOKS AND PUBLICATIONS SOCIETY : 2015-16

SCHEDULE - XI

MATERIALS AND STORES CONSUMED AND VARIATION IN STOCK

MATERIALS AND STORES CONSUMED - XI (1)		March 31,2016	March 31,2015
		(Figures in Rupees)	
<b>A. Raw materials</b>			43,854,042.64
Opening stock	47,468,827.33		111,244,224.62
Add: Purchases	317,517,582.49		<b>155,098,267.26</b>
Total	<b>364,986,409.82</b>		47,468,827.33
Less: Closing stock	93,612,028.41	<b>271,374,381.41</b>	<b>107,629,439.93</b>
Consumption			
<b>B. Miscellaneous stores and spares</b>			9,717,428.37
Opening stock	14,492,446.61		14,404,390.95
Add: Purchases	12,638,289.94		<b>24,121,819.32</b>
Total	<b>27,130,736.55</b>		14,492,446.61
Less: Closing stock	18,210,130.02	<b>8,920,606.53</b>	<b>9,629,372.71</b>
Consumption			
<b>C. Tools</b>			1,803,111.78
Opening stock	1,796,860.40		48,180.02
Add: Purchases	160,744.06		<b>1,851,291.80</b>
Total	<b>1,957,604.46</b>		1,796,860.40
Less: Closing stock	1,676,386.54	<b>281,217.92</b>	<b>54,431.40</b>
Consumption			
<b>D. Electrical goods</b>			372,871.36
Opening stock	491,201.30		592,857.03
Add: Purchases	1,434,570.66		<b>965,728.39</b>
Total	<b>1,925,771.96</b>		491,201.30
Less: Closing stock	542,896.35	<b>1,382,875.61</b>	<b>474,527.09</b>
Consumption			
<b>E. Uniform cloth</b>			14,342.45
Opening stock	15,122.09		102,660.60
Add: Purchases	145,205.10		<b>117,003.05</b>
Total	<b>160,327.19</b>		15,122.09
Less: Closing stock	-	<b>160,327.19</b>	<b>101,880.96</b>
Consumption			
<b>COST OF GOODS CONSUMED (I)</b>		<b>282,119,408.66</b>	<b>117,889,652.09</b>

VARIATION IN STOCK - XI (2)		March 31,2016	March 31,2015
		(Figures in Rupees)	
Opening stock of printed materials including printing charges		8,170,119.29	34,439,239.00
Opening stock of work-in-progress		11,657,382.46	12,897,678.00
<b>Total Opening Stock</b>		<b>19,827,501.75</b>	<b>47,336,917.00</b>
Less: Closing stock of printed materials including printing charges		37,278,051.81	8,170,119.29
Closing stock of work-in-progress		11,452,642.67	11,657,382.46
<b>Total Closing Stock</b>		<b>48,730,694.48</b>	<b>19,827,501.75</b>
<b>VARIATION IN STOCK (II)</b>		<b>(28,903,192.73)</b>	<b>27,509,415.25</b>



**KERALA BOOKS AND PUBLICATIONS SOCIETY : 2015-16**

**SCHEDULE - XII**

<b>MANUFACTURING AND ADMINISTRATIVE EXPENSES</b>	<b>March 31,2016</b>	<b>March 31,2015</b>
	(Figures in Rupees)	
1 Staff cost:	61,193,298.57	61,315,641.27
Salaries	-	1,200,637.00
CPF Employer's contribution	4,022,465.00	13,210,961.00
Surrender leave salary	3,912,014.00	15,159,587.00
Gratuity	7,204,776.14	6,900,157.80
Performance allowance	4,921,228.14	4,533,915.96
Medical reimbursement	7,093,545.80	6,323,378.00
KBPS Pension Fund	7,416,750.75	4,519,415.00
Canteen expenditure	1,752,325.00	1,115,190.25
Staff welfare expenses	1,903,515.43	2,658,524.30
Dearness allowance arrears	-	-
Pay arrears	-	5,275,561.00
Pension Contribution	17,787,451.08	14,444,349.57
Daily wages	24,260,217.28	23,227,557.49
Additional Wages		
Other costs including stipend ex-gratia, bonus etc	1,876,755.48	2,456,203.78
	<b>143,344,342.67</b>	<b>162,341,079.42</b>
2 Job work	127,663,776.03	108,372,369.11
3 Piece work	12,537,878.76	8,450,019.19
4 Carriage inwards/outwards	2,502,953.70	1,863,424.87
5 Power, light and water charges	11,695,784.00	8,697,475.00
6 Security charges	1,457,461.00	1,609,380.00
7 Rent on land and buildings	2,867,809.00	6,532,016.00
8 Travelling expenses	878,388.50	916,558.50
9 Postage , telegram and telephone charges	220,528.48	204,553.30
10 Insurance	354,958.00	301,045.00
11 Printing and stationery	173,973.00	130,072.50
12 Vehicle running and maintenance:		
a) Petrol expenses	597,543.92	
b) Repairs	244,690.00	
c) Vehicle insurance	54,371.61	
	<b>896,605.53</b>	<b>708,173.09</b>
13 Repairs and maintenance:		
a) Plant and machinery	1,364,383.94	
b) Building	1,765,278.00	
c) Others	4,526,799.28	
	<b>7,656,461.22</b>	<b>3,086,479.87</b>
14 Rates and taxes	183,877.04	121,479.00
15 Office and Miscellaneous expenses	3,016,354.94	2,790,656.92
16 Distribution Expenses	52,610,748.06	37,649,471.14
17 Computer and Accessories (Consumable)	80,023.98	53,925.00
<b>Total:</b>	<b>368,141,923.91</b>	<b>343,828,177.91</b>



**KERALA BOOKS AND PUBLICATIONS SOCIETY : 2015-16**

**SCHEDULE - XIII**

PRIOR PERIOD EXPENSE / (INCOME)	March 31,2016	March 31,2015
	(Figures in Rupees)	
Prior period income	-	(16,174.47)
<b><u>Less</u></b>		
<b><u>Prior period expenses:</u></b>		
Others	29,000.00	42,161.03
<b>Total:</b>	<b>(29,000.00)</b>	<b>(58,335.50)</b>





**KERALA BOOKS AND PUBLICATIONS SOCIETY**

SCHEDULE – XIV

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31.03.2016

➤ **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. The Closing stock of the Paper purchased by KBPS for printing of Textbooks have been valued at their last purchased price and considered in the financial statements.
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 for printing of Textbooks 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, distribution charges and Paper purchase charges for printing of Text Books by KBPS 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. The Paper purchased by KBPS for printing of Text Books claimed from the Director of Public Instruction on the basis of the actual paper consumption.
4. 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.
5. 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 30.09.2015 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. (a) 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% Emoluments (Basic pay + 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, ( similar to 'National Pension Scheme' as admissible to Government employees) shall be made applicable and contribution will be made to the KBPS Pension fund.  
(b) 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.  
(c) The Employer and Employee contributions towards KBPS Pension fund and the Employee contribution towards General Provident fund are kept in separate bank accounts with Union Bank of India. Hence not recognised in the books of the society. Consequently interest on the same is not recognised as income of the society.
3. As per the self sustainable and financial viable pension scheme implemented by the society, 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, were provided in the books of accounts. The scheme was introduced from the financial year 2011-12 and appropriate provisions have been made, in the accounts, year to year, up to 31.03.2015. The accounting policy followed by the Society was to transfer the employer's contribution @3%, on profit before tax, during these years. However, the Pension Board has taken a decision at the 11<sup>th</sup> Pension Board Meeting held on 23/01/2017 to transfer 3% employer's contribution to KBPS Pension fund, on profit after tax. Accordingly, the previous year provisions have been reworked as per the present policy, in the current year.

4. Surrender Leave Salary is accounted on Accrual basis. Accordingly, the society has made provision of Rs 89,38,385/- during the year as Surrender leave salary payable.

(F) Income Tax:

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:

The society has adopted Accounting Standard 11- Effects of Changes in Exchange Rates in recording transactions in foreign currencies. The expenditure in foreign currency is accounted at the exchange rate prevalent when such expenditure is incurred and the exchange differences that relate to acquisition of assets are recognized in the income and expenditure account.

(I) Deferred Tax Asset/ Liability

The Society has not adopted Accounting Standard – 22, accounting for taxes on income/losses in the preparation of financial statements.



➤ **NOTES ON ACCOUNTS.**

1. (a) Provision for Pension made in the books consists of contribution @ 3% of profits earned by the Society and contribution @ 12% of Emoluments (Basic pay + DA) of all employees who are in service, paid by the Society to Pension scheme as employer's contribution. Profits meant profits before tax.  
(b) During the Financial year 2015-16, the policy of the Society, in respect of the contribution to pension @ 3% of the 'profits before tax', was changed to 3% of 'profits after tax'. Accordingly, Aggregate employers contribution to KBPS Pension fund, @ 3% of profits after tax, up to financial year 31.03.2015 is computed at Rs.1,05,58,397/-.  
(c) Aggregate employers contribution to KBPS Pension fund, @ 3% of profits before tax, already provided in the books of accounts, up to financial year 31.03.2015 was Rs. 1,59,54,338/-.  
(d) For Financial year 2015-16, employer's contribution to KBPS pension scheme @ 3% of profits after tax, is computed at Rs.32,86,963/-.  
(e) With reference to (b) and (c) above, accordingly, the society has made an excess provision of Rs. 53,95,941/- (Rs. 1,59,54,338.00 - Rs.1,05,58,397.00), up to financial year 31.03.2015, which is to be adjusted in the current year financial statements. Accordingly, an amount of Rs. 21,08,978/- (Rs. 53,95,941.00 - Rs.32,86,963.00) is credited to the Profit and Loss Account, being reversal of excess provision of employers contribution to Pension fund. *(Sch. no X: Miscellaneous Income)*  
(f) For the Financial year 2015-16, Employers contribution @ 12% of emoluments (Basic +DA) to KBPS Pension fund is Rs.70,93,545.80. *(Sch. no XII: Manufacturing and Administrative Expenses)*
2. The TDS credit of Rs. 3,34,014/- relates TDS in respect of interest transferred to KBPS Pension Fund and does not belong to the Society. Hence the said amount would be paid back to the KBPS pension fund in the subsequent year.
3. During the year 2015-16, an amount of Rs 39,12,014/- has been accounted as expenses by the society towards Employees' Group Gratuity Cash Accumulation Scheme of LIC. *(Sch. no XII: Manufacturing and Administrative Expenses)*
4. The unpaid interest arrears on the Government of Kerala Loan as on 31.03.2016 is Rs. 804.80 Lakhs (Previous year Rs 763.52 Lakhs) including penal interest of Rs 250.22 Lakhs (Previous year Rs 231.12 Lakhs). *(Sch. no III: Unsecured Loans)*
5. (a) For the academic year 2015-16, KBPS claimed Rs. 5,77,41,955.82 towards distribution charges and out of this the Society received Rs. 1,91,33,333/- as advance vide order No. G.O (Rt). 3226/15/G.Edn. dated 04-08-2015. The Delivery Challans (DC), Bills and supported details are under verification of TBO for releasing the balance amount of Rs. 3,86,08,622.82.



(b) From Academic Year's 2011-12 to 2014-15, the Society had raised invoices for distribution before the Text Books Officer, including the administrative expenses, Software development charges etc. Every year, entire amount of such invoices was not sanctioned by the TBO. Following are the details of the same:

Academic Year	Distribution Charges claimed	Amount Sanctioned	Balance Amount Recoverable	Order No. & Date
2014-15	Rs. 5,74,13,759/-	Rs.3,84,74,386/-	Rs. 1,89,39,373/-	A2/406/14/TBO dated 25-03-2015
2013-14	Rs. 5,87,09,805/-	Rs.3,94,04,308/-	Rs. 1,93,05,497/-	A2/2312/13/TBO dated 12-03-2014
2012-13	Rs.5,52,34,970/-	Rs. 3,42,81,838/-	Rs. 2,09,53,132/-	A2/1084/10/TBO dated 05-10-2013
2011-12	Rs. 5,42,06,584/-	Rs. 3,17,10,470/-	Rs. 2,24,96,114/-	A2/1084/10/TBO dated 24-07-2013
	<b>Rs.22,55,65,118/-</b>	<b>Rs.14,38,71,002/-</b>	<b>Rs.8,16,94,116/-</b>	

(Sch. no VI: Sundry Debtors)

(c) During the Year, the Society has made 100% provision on the balance amount recoverable from the Text Books Officer, on account of Distribution Charges.

6. The following accounts, with regard to advance received from the text book office are not reconciled with the society's accounts as on 31-03-2016. This is due to the fact that, Technical committee for settlement of accounts has not been constituted in this regard.

SL No	Particulars	Amount
1.	DIRECTOR OF PUBLIC INSTRUCTION	5,35,41,632.39 (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 31.03.2016. 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 2015-16.

(Sch. no VI: Sundry Debtors & 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. (*Sch. no IX: Current Liabilities and Provisions*)

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 51,864/- during the year and the balance of Rs. 7.21 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), Alwaye, 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 2015-16, 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 2015-16 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 79.69% (Previous year: 77.28%).
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. 25,000/- is recognized as dividend from KBPE Co-Operative Society during the financial year 2015-16.
15. During the year the society has paid advance income tax amounting to Rs. 575 Lakhs, excluding Tax Deducted at Source, standing to its credit. (*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. As per the demand notice A5-304/15 dated 06-02-2015 issued from the Office of the Inspecting Assistant Commissioner of Commercial Taxes, Ernakulam an amount of Rs. 17,62,766/- along with interest Rs. 33,66,883/- is outstanding for the period 2001-02. As Per G.O (P) No. 82/2016/Taxes dated 16.08.2016, the society has received an exemption on Sales Tax payable on turnover relating to transfer of goods involved in execution of works contract, awarded by Government of Kerala and its agencies, for the period from 16-08-2001 to 31-03-2002
20. Previous year's figures have been regrouped/recast wherever necessary, to confirm to the classification of current year.
21. Detailed Fixed Asset register prepared and the physical verification of the fixed assets has been conducted by the Society on 31.03.2016.





22. 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.
23. Apart from the above said TDS Receivables, Current Assets also include TDS receivable of Rs 47,647/- for the financial year 2015-16. These are TDS deducted and paid on behalf of the various Government Departments/ Government Enterprises, which have not filed the TDS return with the Income Tax Department.
24. The society has sought a clarification from the Service Tax Department in the matter of applicability of Service Tax, under reverse charge and others. However, no communication in this regard was received during the year. Accordingly, no provision has been made for any Service Tax payable, if any, in the accounts.
25. Apart from the Debts receivable from the Text Books Officer, as discussed in Point No. 5 in the notes to accounts, amounts receivable from other debtors, relating to debts outstanding for more than a year and not considered good, as on 31.03.2016 at Rs. 163.78 Lakhs. Hence provision for the same has also been made during the year amounting to Rs. 119.82 Lakhs.
26. During the year Government entrusted the Printing of remaining 60 Lakhs Volume I Textbooks to various Government presses, Mannanthala, Vazhoor, and Shornur vide G.O No. 13473/H3/15/H. Edn dated 12.05.2015. The Expenses incurred by KBPS for procurement of Raw materials, Loading and Unloading charges, Transportation charges etc for those presses accounted as expenses of the Society during the year, and has claimed the same from the Government vide Invoice No. 19567 dated 20-08-2015 for Rs. 30,75,390/-
27. During the year Hon. High Court of Kerala granted permission to explore possibility to complete the printing of balance Volume I textbooks which were not printed by Government presses to a third party by 20.07.2015 vide the Judgment Order for W.P.(C) No. 18531 of 2015 - N. Hence KBPS entrusted the task with Solar Offset Printers Pvt Ltd and the expenses incurred by KBPS for this purpose accounted as expense and is also claimed as reimbursement, and included in our Income, during the year.
28. During the year Government entrusted KBPS to purchase papers and collateral materials for printing of Textbooks for Two years vide G.O (MS)281/2015/G.Edn dated 05-11-2015. The Society purchased paper for Textbooks of Rs. 20,02, 59,875.59/- and the consumption of Rs. 13,37,28,305.90 accounted as expense and is also claimed as reimbursement, and included in our Income, during the year. The closing stock of the Paper purchased by KBPS for printing of Textbooks paper valued at Rs. 6,65,31,569.69 during the year.
29. During the year, the Society has entrusted the job of distribution of text books to few employees across various depots in Kerala. Advances made to them for meeting various expenses of distribution of text books, are being settled in due course.




30. As per Order No. GO(Rt.) No. 206/2016/TD dated 04/03/2016, by Taxes Department, Government of Kerala, the Society is entitled to an enhancement of 25% from the existing rates for printing of lottery tickets, and the rate revision is effective from 01.04.2015. The Society has given effect to this order and has invoiced the same only in the months of June & July, 2016. The arrears of Rs.9,46,07,499/-been invoiced and accepted by the lottery department, on this account, in the Financial Year 2016-17.

**For and on behalf of the Governing Body  
attached**

**As per our report**

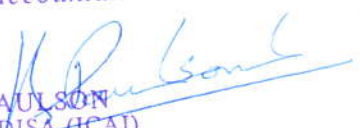
**For Paulson and Co.  
Chartered Accountants,  
Firm registration number: 002620S**

  
**Tomin J. Thachankary, IPS**  
Chairman & Managing Director

  
**M.P. Salim**  
GB Member Finance

**R. Sasikala**  
GB Member Stationery

For PAULSON & COMPANY  
Chartered Accountants

  
CA. K.P. PAULSON  
LL.B, FCA, DISA (ICAI)  
Membership No. 21855; FR No. 002620S  
PARTNER **CA. K P Paulson LLB, FCA, DISA**  
Membership No. 021855,  
ERN: 002620S, PARTNER



Kochi - 682030

Date:- 03.04.2017