

DIRECTORS' REPORT

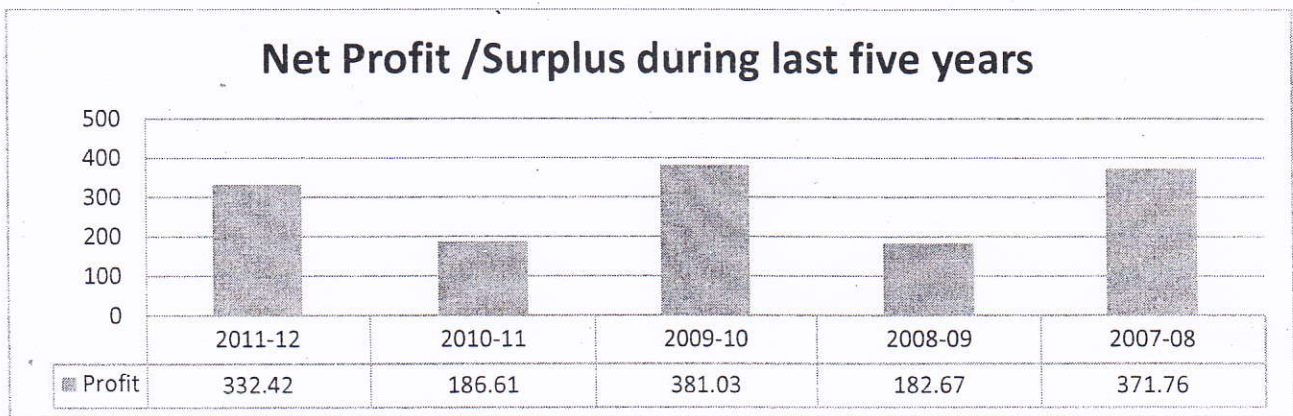
Dear Governing Body Members,

The Directors have great pleasure in presenting the 37th Annual Report of Kerala Books and Publications Society (KBPS) together with the Audited statements of Accounts for the year ended 31st March 2012.

FINANCIAL RESULTS

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 vide order No:A2/1944/10/TBO.The Kerala Books & Publications Society successfully completed the distribution of text books for standard I to X through leading Courier companies.



During the financial year the society has achieved a sound financial position. The society earned revenue of Rs. 3695.77 Lakhs and expenditure incurred was Rs.3167.86 Lakhs and arriving at a surplus (after tax) of Rs.332.42 lakhs.The depreciation claimed was Rs. 80.97.

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.

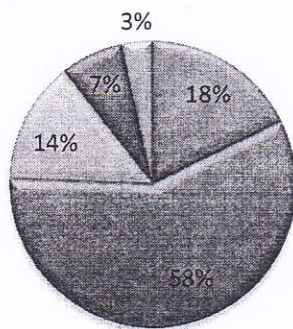
Financial results during last five years:

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08
Sales & operating Income	3695.77	2832.34	2394.35	2386.81	2050.02
PBDIT	647.77	384.45	534.13	322.86	440.6
Depreciation	80.97	87.42	40.9	31.46	28.09
Interest on Government Kerala Loan	38.89	38.29	37.69	37.09	36.5
Profit before Prior period items & Tax	527.91	258.74	455.54	254.31	376.01
Less: Prior period items & others	44.39	(104.70)	(25.9)	11.4	4.25
Tax Expenses	151.10	176.83	100.41	60.24	0
Net Profit for the year	332.42	186.61	381.03	182.67	371.76
Profit bought forward from previous year	1855.72	1669.1	1288.07	1105.4	733.64
Excess carried forward to Balance Sheet	2188.14	1855.72	1669.1	1288.07	1105.4

COMPONENTS OF INCOME

Particulars	Amt(in Lakhs)
Text Book Printing	652.20
Commercial Work	2139.56
Distribution charges(Text Books)	512.99
Sale of waste paper	265.53
Other Income	125.49
Total	3695.77

INCOME

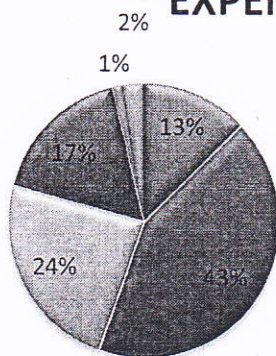


- Text Book Printing
- Commercial Work
- Distribution charges(Text Books)
- Sale of waste paper
- Other Income

COMPONENTS OF EXPENDITURE

Particulars	Amt(in Lakhs)
Material Cost	402.27
Staff Cost	1357.82
Manufacturing Expenses	750.54
Administrative Expenses	537.38
Interest on Loan	38.89
Depreciation	80.97
Total	3167.87

EXPENDITURE



- Material Cost
- Staff Cost
- Manufacturing Expenses
- Administrative Expenses
- Interest on Loan
- Depreciation

• **Strengths**

The Society is a major player in the printing industry in public sector. It carries out large and bulk printing work in the government and public sector. Text books were printed in two phases. The location, machinery and experienced work force have contributed to the success of KBPS in the field. The society has ample scope for expansion & diversification in its field as well as other commercial activities. The successful distribution of text book to schools societies was an example of KBPS adoptability.

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 timeliness, professionalism and execution in carrying out its 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 the machinery in the society is all outdated and requires replacement in a phased manner. We are facing stiff competition in the market from various printing concerns employing the state of art machine and hence it becomes inevitable to induct the latest and sophisticated machinery to stay in the business. The formalities and government restrictions kept the modernization a 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 skilled man power availability and affects the production in every sense. Competitiveness in the industry and inability to cope up with it is still a major challenge. The ownership of land and building are still with government and transfer of ownership to KBPS will be a boon to the society.

• **Opportunities**

Even though electronic media replaces printing industry in every sense, the consistency shown in text book and commercial production over the years and sustained performance in the past few years elevated the name of KBPS to a higher place among the public sector industries in the state. Scope of printing industry is still bright and the Society is getting new orders, small and big from various quarters. Disciplined and skilled work force is the asset of the Society. Apart of this the social commitment of Lottery Department like Karunya lotteries leads to an increase in the demand for lottery tickets which will help us to get more work orders

• **Threats**

Fast technological changes in the industry can make KBPS less competitive and inefficient, if the Society is not in the path of radical changes. Increased computerization in all sectors has made it imperative for everyone to be computer-user and computer-handling. In addition to this the changing trends towards the implementation of tablet Computers among school students will somehow adversely affect our text books production in long run.

Production attained during 2011-12

During the year 2011-12 the Society has printed 476.19 Lakhs text books. Society has also undertaken the following printing works:

SI NO	Commercial Production	Copies in Lakhs (nos)	Value in Lakhs (Rs)
1	Kerala State Lottery Tickets	3409.90	1093.36
2	Farm Information Bureau	11.62	180.95
3	Kerala Road Safety Authority	30.02	139.21
4	Director of Health Services	15.57	132.01
5	Kerala Institute of Local Administration	41.15	101.04
6	District Rural Development Agencies	26.46	71.68
7	Others	100.35	389.18
	Total	3635.07	2107.43

New Assignment

During 2011-12 other than the usual printing works, we have started the online indenting process which helped us to start distribution of text books before summer vacation. We expect this will be a routine work for us in the future also.

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 2012-13

- 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 five color sheet fed printing Machine to be purchased to cope up with increasing needs of color printing. Two single knife paper cutting machine and one three knife cutting trimmer system are also proposed to purchase during the period 2012-2013

- Warehousing

Space is the bottleneck for storing raw materials like Paper reels, Godowns etc. Presently we have started the receipt of paper for printing textbooks and the distribution of the text books entrusted with us, the construction of godown is to be an inevitable part. Hence the company proposed for the construction of a godwon.

Corporate Governance

- ✓ Number of Governing Body Meeting held: 3

124th Governing Body meeting held on 16/04/2011, 125th Governing Body held on 27/12/2011 and 126th Governing Body meeting held on 18/02/2012.

- ✓ AGM held during the period :2

35th Annual General Body Meeting on 16/04/2011 and 36th Annual General Body Meeting held on 18/02/2012.

Personnel Management

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

No. of employees who left service/ retired during the year:	21
No. of employees who were recruited during the year:	31
Permanent:	240
Others (contract):	18
Apprentices/trainees	4
Persons demised	1
No. of employees who were resigned during the year:	0

Welfare

The Group Medical Insurance Scheme for the employees of KBPS was continued in the year 2011-12 also. More than 256 employees & 19 retired employees have benefited by availing Insurance facilities. Onam was celebrated with great enthusiasm and distributed Onam Gifts and Grocery items to all permanent employees. An executive health check up camp under Amrita Institute of medical science was conducted during October 2011 for all the 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 2011-2012.

Auditors

M/s. Isaac & Suresh Chartered Accountants, Ernakulum 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 Services, Farm Information Bureau, the Bankers, Auditors, Business Associates, Customers, Trade unions and all other well wishers. We also place on record their appreciation of the services rendered by all the employees of the society.

For and on behalf of the Board of Directors

Chairman

AS
28/9/12

Approved -
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