

P. C. Varghese & Co.,
Chartered Accountants

Partners:
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INDEPENDENT AUDITOR'S REPORT

To
The Members of Kerala Catholic Bible Society

Opinion

We have audited the financial statements of Kerala Catholic Bible Society which comprise the Balance Sheet as at 31st March 2021, and the Income & Expenditure account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements *read with and Subject to notes attached* thereto give a true and fair view of the financial position of the entity as at March 31, 2021, and its financial performance for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the firm in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management

The 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

entity in accordance with the accounting principles generally accepted in 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 misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entities ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standard Auditing Practices will always detect a material misstatement when it exists.

Kochi

Date:08/09/2021 Chartered Accountant

For P. C Varghese & Co

FRN: 04526S

P.C.Varghese B.Com. F.C.A
Partner
(Membership No. 010408)

KERALA CATHOLIC BIBLE SOCIETY, PALARIVATTOM, KOCHI - 25
INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2021

Previous year	EXPENDITURE	Current year	Previous year	INCOME	Current year
13,75,655	To Opening Stock of Books	7,75,563		By Membership Fees	
7,75,097	Add: Publication Expenses	11,39,513	19,15,076	Collection during the year	1,000
6,18,035	" Subsidised & Free Distribution of Bible		2,49,765	Less: Transferred directly to Capital Fund	1,000
4,13,850	" Salary		4,48,500		
23,200	" Honorarium & Remuneration		-	" Publication Department Income	9,67,781
2,67,280	" Gift Book & CDs		17,260	Add: Closing Stock of Books	8,55,625
1,54,360	" Bulletin		-		18,23,406
7,222	" Printing & Stationary		11,917	" Interest from Banks	16,72,547
17,500	" Audit Fees		25,000		
27,49,553	" Logos Quiz Expenses		48,200	" Logos Quiz Registration Fees	27,160
2,450	" Miscellaneous Expenses		500		
25,194	" Meeting Expenses		34,070	" Contributions & Donations	32,530
34,608	" Repairs & Maintenance		2,030		
14,280	" Travelling Expenses		41,400	" Jubilee Bible Mission Project	
14,991	" Postage & Telephone Charges		15,356		
2,320	" Computer Expenses		-		
1,40,642	" Sign Bible Exp.		-		
11,700	" Domain Renewal Exp.		-		
25,000	" Vajana Sarga Prathiba Exp.		-		
5,551	" Bank charges		1,159		
32,364	" Depreciation		11,710		
15,93,245	" Excess of Income over Expenditure		7,33,699		
83,04,007	TOTAL		35,55,643	TOTAL	35,55,643

KOCHI -18
31.08.2021

For P.C.Varghese & Co.
Chartered Accountants
FR No. 04526S

CHAIRMAN

SECRETARY

TREASURER

P.C.Varghese B.Com. F.C.A.
Partner (M No.010408)

KERALA CATHOLIC BIBLE SOCIETY, PALARIVATTOM, KOCHI - 25
BALANCE SHEET AS ON 31ST MARCH, 2021

Previous year	LIABILITIES	Current year	Previous year	ASSETS	Current year
	<u>CAPITAL FUND ACCOUNT</u>			<u>FIXED ASSETS</u>	
3,34,72,133	Balance as per last Balance Sheet	3,65,79,121		<u>Furniture:</u>	
	Add: Membership fee transferred directly to Capital Fund Account	* 1,000	18,081	Balance as per last Balance Sheet	14,646
		3,65,80,121		Less: Depreciation	1,465
	Add: Excess of Income over Expenditure	7,33,699	3,73,13,821	<u>Office Equipments</u>	
			965	Balance as per last Balance Sheet	618
			10,145	Less: Depreciation	124
	<u>ENDOWMENTS</u>			<u>Computer</u>	
3,75,000	Thomma Malpan	3,75,000		Balance as per last Balance Sheet	1,623
1,50,000	Bishop Mar Joseph Pallickaparambil	1,50,000		Less: Depreciation	974
25,000	Bishop Mar George Punnakkottil	25,000	74,941	<u>Motor Car</u>	
3,00,000	Vachana sarga Prathibha	3,00,000		Balance as per last Balance Sheet	54,145
3,50,000	Logos endowments	3,50,000	12,00,000	Less: Depreciation	8,122
	<u>SUNDRY CREDITORS</u>		9,469	<u>Projector</u>	
				Balance as per last Balance Sheet	6,841
			5,76,267	Less: Depreciation	1,026
				<u>CLOSING STOCK OF BOOKS</u>	8,55,625
			5,36,739	<u>INCOME TAX DEDUCTED AT SOURCE</u>	2,06,018
			34,35,172	<u>INTEREST RECEIVABLE ON FIXED DEPOSITS</u>	25*56,015
				<u>CLOSING CASH & BANK BALANCES</u>	
			2,282	Cash in hand	7,418
			3,00,08,071	Cash at Bank (As per Schedule)	3,49,85,595
3,46,72,133	TOTAL	3,86,76,834	3,46,72,133	TOTAL	3,86,76,834

KOCHI - 18
31.08.2021

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KERALA CATHOLIC BIBLE SOCIETY, PALARIVATTOM, KOCHI - 25
RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2021

	RECEIPTS		PAYMENTS		
Previous year	Current year	Previous year	Current year	By	Current year
				Publication Expenses	11,39,513
				Subsidised & Free Distribution of Bible	2,49,765
3,042	13,857			Logos Quiz Expense	48,200
2,95,54,691	3,50,72,881			Gift Books and CDs	17,260
				Bulletin	-
	1,000			Salary	4,48,500
3,25,000	9,67,781			Honorarium & Remuneration to Bible Promoters	-
20,67,325	27,160			Printing & Stationary	11,917
25,32,145	16,72,547			Audit Fees	25,000
28,37,584	32,530			Meeting Expenses	34,070
2,10,686	4,183			Repairs & Maintenance	2,030
2,95,270	3,15,430			Sign Bible Expenses	-
	9,48,613			Travelling Expenses	41,400
80,000				Postage & Telephone Charges	15,356
				Computer Expense	-
				Tax deducted on interest by Bank	1,19,473
				Interest Receivable on fixed deposits as on 31/03/2021	11,01,462
				Vachana Sarga Prathibha Expenses	-
				Domain Renewal Expenses	500
				Miscellaneous Expenses	5,732
				Deposits	1,159
				Bank charges	9,532
				TDS Paid	7,92,100
				Amount paid to Creditors	-
				Closing Balances	
				Cash in hand	7,418
				Cash at Bank (As per Schedule)	3,49,85,595
					3,49,93,013
3,80,05,744	3,90,55,982	3,80,05,744	3,90,55,982	TOTAL	3,90,55,982

For P.C.Varghese & Co.
Chartered Accountants
FR No. 04526S

P.C.Varghese B.Com. F.C.A.
Partner (M No.010408)

TREASURER

SECRETARY

CHAIRMAN

THE KERALA CATHOLIC BIBLE SOCIETY, PALARIVATTOM, KOCHI - 25

**SCHEDULE FORMING PART OF THE RECEIPTS & PAYMENTS ACCOUNT
& BALANCE SHEET AS ON 31.3.2021**

BANK BALANCES AS AT 31.03.2021

Cash at SIB A/C No.750	257,861.32
Cash at SIB.A/c No.19	121,544.99
Cash at SBI A/c No.808-8	6,161.40
Cash at SIB A/c No.8000	17,187.00
Cash at SIB A/C No.5250	31,282.00
Cash at SIB No.461	20,987.00
SIB A/c No.7115	2,376.15
Fixed Deposit with SIB	22,551,757.00
Fixed Deposit with DHFL	11,976,438.00
TOTAL	34,985,594.86

NOTES FORMING PART OF THE ACCOUNTS

Investments of the Society in Dewan Housing Finance Company Ltd (DHFL)

During the course of Audit for the Previous year 2019-20, we had brought to the attention of the Members of the Society by way of notes to the accounts, the issue regarding the Society's Investment with Dewan Housing Finance Company (DHFL), which is reproduced below

*"The Society, from the very beginning, had been regularly investing its surplus funds in fixed deposits of Dewan Housing Finance Company Ltd. (DHFL). A major portion of the surplus funds were invested in the Company. During the course of the Financial Year 2019-20, there were reports that the Company's financial Performance is not satisfactory and the Company is in serious financial stress. In view of this, the Annual General Meeting of the Society held on 06/07/2019 decided not to make any further investments in the Company. Also it was decided that careful watch may be maintained on this investment and if necessary, premature closing of the Deposits also may be done. During the Course of the Financial Year 2019-20, Company had repaid all the deposits matured during the Financial year 2019-20 along with interest due thereon. **The remaining deposit amounting to Rs.1,19,76,214, along with interest accrued on these deposits upto 31/03/2020, amounting to Rs,16,83,214 is outstanding as on 31st March, 2020.***

*By the middle of Financial Year 2019-20, the Company stopped the premature closing of the Deposits. The Company has also not credited the interest accrued on the outstanding deposits. **In view of the above, the Society has not accounted the accrued interest of the year 2019-20 amounting to Rs.9,77,836, on the outstanding deposits as income of the year.***

*The Financial position of the Company worsened and the Company Law Board, Govt. of India and RBI intervened. By the middle of November 2019, the Reserve Bank of India, superseded the Board of Directors of DHFL and appointed Administrator, citing governance concerns and defaults and initiated insolvency proceedings. National Company Law Tribunal appointed Resolution Professional in charge of the Insolvency proceedings. It is learned that, Government, RBI and National Company Law Tribunal are working on various options before them and ways to resolve the crisis in DHFL on a time bound basis. **But it looks that, it is too early to make predictions on the result and its effect on the Value of this Investment."***

In view of the uncertainties existed on this matter, at the time of finalization of the audit for the Year 2019-20, no change was made on the valuation of the Investments at that point of time and no provision for any possible loss was made in the accounts.

During the Course of the Audit for the Year 2020-21, we have made further enquiries about the progress of the pending Resolution plan and insolvency proceedings to arrive at a realistic realizable value of this Investment. We understand the Insolvency proceedings and the Resolution plans, as far as the Depositors claims are concerned, are in final stages and it looks that, the depositors will end up with a very steep cut in the realizable Value (Up to 77%) of their Investment. Depositors are still fighting in appeals against this plan but as things stand now, chances of much improvement is not very bright. These facts were brought to the notice of the Managing Committee and the Executive Committee meetings of the Society held on 7th September 2021 and they have decided to recognize this loss only when the matter is finally settled.