

SIMFED

Annual Report 2008-2009

AGENDA NO. 1 :

Confirmation of the minutes of the 6th Annual General Meeting of SIMFED held on the 28th November 2008.

AGENDA NO. 2 :

To consider the Annual Report of the Board of Directors for the year 2008-09.

ANNUAL REPORT OF THE BOARD OF DIRECTORS 2008-09

ADDRESS BY THE HON'BLE CHAIRMAN

Dear Cooperators,

On behalf of the Board of Directors of SIMFED I have the pleasure to welcome you to the 7th Annual General Meeting of our Federation with a purpose to present this Audited Annual Report together with the Balance Sheet/Profit & Loss Account for the year 2008-09 (ended 31st March 2009).

At the outset, I hereby place before you the performance of the Board of this Federation on various subjects as below :-

1. MEMBERSHIP AND SHARE CAPITAL

Against the authorized share capital of Rs. 3.00 crores, we have a total of Rs. 175.05 lakhs as paid up share capital for which the break up are given below :-

SHARE HOLDERS (as on 31.03.09)	Nos.	Amount (Rs. In Lakhs)
1. State Government	1,54,750	1.54
2. Cooperative Societies (Total Member Societies = 137)	20,297	20.30
Total paid up share Capital (as on 31.03.10)	1,75,047	175.05

During the year 2008-09 we have issued 5870 shares of Rs. 100.00 each to MPCs. Due to this, the Issued, Subscribed and Paid Up share capital increased to 175047 shares from 169177 shares (3.47% growth).

2. RESERVES AND RESULTS OF OPERATIONS

Total reserve increased from Rs. 308.67 Lacs in the previous year to Rs. 492.94 Lacs during 2008-09 registering a growth rate of 48.02% . The operating profit increased by 211.38% i.e. the operating profit increased from Rs. 77.38 Lacs during 2008-09.

3. INVESTMENT

Total investment of SIMFED in all heads amounted to Rs. 6,43,24,655.00 which was increased from Rs. 4,61,27,282.00 (39.44% growth).

4. FINANCIAL RESULTS

The financial result of the Federation for the year ended 31st March 2009 is given below :

	Rs. (in Lacs)
Income from Sales	544.02
Expenses on Purchases	5215.35
Net Profit	240.95
Selling and Marketing Expenses	18.98
General and Administrative Expenses	162.08
VAT on SIMFED Bills	208.68
Operating Profit before depreciation	246.92
Depreciation	5.97
Other income	204.37
Profit brought forward	132.21
Amount available for Appropriation	353.67
Transfer to General Reserve	45.13
Transfer to Building Reserve Fund	10.00
Proposed Dividend	8.75
Balance in Profit & Loss A/C	207.29

5. PROFIT

The net profit of the Federation is Rs. 240.95 Lacs during the year 2008-09 which shows an increase from Rs. 77.38 Lacs during the previous year. The reason for the increase in the profit is mainly due to the streamlining of various procedures in the Federation.

6. DISTRIBUTION OF PROFIT : AGENDA 3

In terms of Sikkim Cooperative Societies Act 1978 read with Bye Laws No. 44 the net profit has been appropriated as per the consideration and approval of the 50th Board of Directors Meeting.

Accordingly the Board of management has approved and recommended for the distribution of audited profits earned during the year 2008-09 as below :-

	Rs. In Lacs
Transfer to General Reserve	45.13
Transfer to Building Reserve Fund	10.00
Marketing of Agri Business	30.00
Marketing of Consumer Business	17.50
Horticulture and Floriculture Business Reserve Fund	30.00
Employees Benevolent Reserve Fund	2.50
Training and Education Reserve Fund	2.50

TOTAL : 137.63

7. DECLARATION OF DIVIDEND

In terms of Sikkim Cooperative Societies Act 1978 read with Bye Laws No.44(a) the net profit has been appropriated as per the consideration and approval of the 50th Board of Directors Meeting. Accordingly the Board of management has approved and recommended for the declaration of Dividend during the year 2008-09 at the rate of Rs. 5/- per share aggregating to Rs. 8,75,235.00 for the year 2008-09. The break-up of the same is as under:-

1. Government of Sikkim	1,54,750.00 shares	Rs. 7,73,750.00
2. MPCS/CCS	20,297 shares	Rs. 1,01,485.00
TOTAL	1,75,047 shares	Rs. 8,75,235.00

The Dividend rate @ 4% had been consistently declared for the past four years. From the last year the dividend rate has been declared @ 5%.

8. SURPLUS AGRICULTURAL MARKETING

Marketing of Surplus agriculture produces like Ginger, Hill Broom and Local oranges of various MPCS were marketed by SIMFED during the year 2008-09. The total value of the Agriculture Surplus produces marketed by SIMFED during 2008-09 was Rs. 36,31,193.00 against the total value of Rs. 24,26,300.00 during the year 2007-08. This is an increase by 33.18%.

9. AUDIT

The financial statements for the year ended 31st March 2009, has been audited by M/s A. Pradhan & Associates, Chartered Accountants, Nam Nang, Gangtok, Sikkim.

Their report on these statements together with the audited Balance Sheet and Profit & Loss Account are being placed today.

10. BOARD AND ANNUAL GENERAL MEETINGS

The Board of Directors of the Federation during the year 2008-09 met 2 times and conducted one Annual General Meetings successfully.

11. ACHIEVEMENTS AND NEW INITIATIVES

Emphasis is being given for marketing of Surplus Agricultural Produces including cut-flower and bulbs. Like informed earlier during the financial year 2008-09 marketing of Agriculture and Horticulture Surplus produce worth Rs. 36,31,193.00 was done. This financial year we have set an ambitious target of 200 Lakhs. For this our employees are in the field working day and night. Further, for retail marketing of the local vegetables a sales counter has been started in the Kanchenjunga Shopping Complex at Lal Market from the 22nd of July, 2008.

In addition to it, cut flowers namely cymbidium orchids, Oriental and Asiatic Liliium, Gentadesia, Gerbera, Roses etc. worth Rs. 4,39,607.00 were also marketed to Delhi, and Kolkata markets. It is worth mentioning here that the Gentadesia of Sikkim was exported to Kuwait also. This financial year a target of Rs. 90 Lacs has been set for the floriculture marketing.

Further, SIMFED in order to stabilize the prevailing market price of Consumer Household has opened up retail outlets in Namchi and Jorethang in addition to the retail outlet at Super Market Copmlex. The Federation had to regularize the market price of the commodity and we have achieved in doing these business, hence fulfilling the mandate given under our Bye Laws.

We have tried to streamline our trading activities in more smooth and systematic manner resulting to increase in profit even though there is a decrease in our turnover. This is inspite of SIMFED foregoing SIMFED Commission and pricing the materials at the very reasonable rates so that the government exchequer is not burdened.

12. ACKNOWLEDGEMENT:-

I wish to owe my sincere thanks to the Honourable Chief Minister of Sikkim, Dr. Pawan Chamling, and Hon'ble Minister Cooperation, Shri K.N. Rai for his invaluable guidance and support during his tenure. Further we would like to welcome Shri C.B. Karki, Hon'ble Minister for Cooperation/RM&DD and anticipate his support and guidance towards further progress and prosperity of the cooperative sector. We would also like to thank the Cooperation Department for their support. I also wish to extend my hearty thanks to our Members of the Board and our shareholders including MPCS and CCS for their valuable contribution in the growth of the Federation. I also take this opportunity to thank the Managing Director, Officers and the entire staff members who are the back bone of the Federation.

Further, I would urge them to work with full zest and zeal for the larger interest of the Federation.

Thanking you,

Sd/-

(SHRI GIRISH CHANDRA RAI)
CHAIRMAN

Directors' Report

To consider and approve Audited Statement of Accounts/ Balance Sheet/ Profit & Loss Accounts
as on 31.03.2009

AUDITOR'S REPORT

The Members,
Sikkim State Co-operative Supply And Marketing Federation Limited.

We Have audited the attached Balance Sheet of Sikkim State Cooperative Supply and Marketing Federation Ltd. As on 31st March 2009 and also the Profit & Loss Account for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Cooperative's Management. Our responsibility is to express our opinion on these Financial Statements based on our audits.

- 2 We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the over all Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 In our opinion and to the best of our information and according to the explanations given to us and as shown in the books by the Cooperative, we report that;
 - a.(i) The Balance Sheet read with the Notes on Accounts is a full and final Balance Sheet containing the necessary particulars and is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Cooperative as at 31st March 2009.
 - (ii) The Profit & Loss Account read with the Notes on Accounts shows a true balance of loss for the year ended 31st March 2009.
 - b. Where we have called for any information and explanations such information and explanations have been give to us and we have found them to be satisfactory.
 - c The transactions of the Consumer business which have come to our notice have been within the powers of the Cooperative.
- 4 In accordance with the requirements of Rule 59(7) of the Sikkim State Cooperative Societies rule 1981 and to tha best of our information and explanation given to us we report the following:
 - 1 There does not appear to be transactions contrary to the provisions of the Act, the Rules or the Bye-Laws of the Society.
 - 2 No material impropriety in expenses or realizations has been observed for transactions pertaining to the audit.

Date:26th August, 2009

Place: Gangtok

A.Pradhan & Associates.
Chartered Accountants

S.Das, Partner

SIKKIM STATE COOPERATIVE SUPPLY AND MARKETING FEDERATION LTD.
GANGTOK, SIKKIM
BALANCE SHEET

	SCH. NO	AS ON 31.03.2009 (Rs)	AS ON 31.03.2008 (Rs)
<u>SOURCES OF FUNDS</u>			
SHARE CAPITAL	1	17,504,700.00	16,917,700.00
RESERVES & SURPLUS	2	45,688,260.00	30,867,000.00
PROFIT & LOSS ACCOUNT		20,728,938.55	13,220,684.47
GRANTS & SUBSIDY	3	10,000,000.00	11,038,204.00
LOANS AND FUNDS	4	-	4,715,974.29
TOTAL		93,921,898.55	76,759,562.76
<u>APPLICATION OF FUNDS</u>			
FIXED ASSETS	5	2,906,879.00	2,364,329.00
INVESTMENTS	6	140,700.00 3,047,579.00	140,000.00 2,504,329.00
CURRENT ASSETS, LOANS & ADVANCES	7	325,025,087.55	335,733,437.76
LESS : CURRENT LIABILITIES & PROVISIONS	8	234,150,768.00	261,478,204.00
NET CURRENT ASSETS		90,874,319.55	74,255,233.76
TOTAL		93,921,898.55	76,759,562.76
NOTES ON ACCOUNTS	18	-	-

The Schedules referred to above are an integral part of the Balance Sheet.

In terms of our report of even date

Place - Gangtok
Date - 26th June.2009

For: A.Pradhan & Associates
Chartered Accountants

S.DAS
(Partner)

SIKKIM STATE COOPERATIVE SUPPLY AND MARKETING FEDERATION LTD.
GANGTOK, SIKKIM
PROFIT & LOSS ACCOUNT

	SCH. NO	YEAR ENDED 31.03.09 (Rs)	YEAR ENDED 31.03.08 (Rs)
<u>INCOME</u>			
SALES	9	544,202,223.00	502,938,226.00
Variation in Stock	10	(305,599.00)	(1,876,084.00)
INTEREST & OTHER INCOME	11	20,436,552.00	17,101,886.95
		564,333,176.00	518,164,028.95
<u>EXPENDITURE</u>			
PURCHASES	12	521,535,076.00	499,475,798.00
EMPLOYEES REMUNERATION & BENEFITS	13	12,467,972.00	7,276,863.00
ADMINISTRATIVE EXPENSES	14	3,721,620.00	2,522,373.00
MARKETING EXPENSES	15	1,897,556.00	416,242.00
FINANCIAL CHARGES	16	18,777.00	26,251.00
DEPRECIATION	5	596,936.00	708,346.00
		540,237,937.00	510,425,873.00
NET PROFIT BEFORE TAX		24,095,239.00	7,738,155.95
PROVISION FOR INCOME TAX		6,019,746.00	NIL
NET PROFIT AFTER TAX		18,075,493.00	7,738,155.95
UNUSUAL ITEMS [NET] (Schedule -17,Note -4)		4,070,996.08	-
		22,146,489.08	7,738,155.95
PROFIT BROUGHT FORWARD		13,220,684.47	11,094,236.52
AMOUNT AVAILABLE FOR APPROPRIATIONS		35,367,173.55	18,832,392.47
<u>APPROPRIATIONS</u>			
STATUTORY RESERVE		4,513,000.00	1,935,000.00
BUILDING RESERVE FUND		1,000,000.00	1,500,000.00
CONSUMER BUSINESS RESERVE FUND		1,750,000.00	500,000.00
AGRI.BUSINESS RESERVE FUND		3,000,000.00	1,000,000.00
HORTICULTURE & FLORICULTURE BUSINESS RESERVE FUND		3,000,000.00	-
TRAINING & EDUCATION FUND RESERVE		250,000.00	
EMPLOYEES BENEVOLENT RESERVE FUND		250,000.00	
PROPOSED DIVIDEND		875,235.00	676,708.00
BALANCE TRANSFERED TO BALANCE SHEET		20,728,938.55	13,220,684.47
		35,367,173.55	18,832,392.47

NOTES ON ACCOUNTS

18

The Schedules referred to above are an integral

part of the Profit & Loss Account
In terms of our report of even date

Place - Gangtok

Date - 26th June.2009

**For: A.Pradhan & Associates
Chartered
Accountants**

**S.DAS
(Partner)**

SIKKIM STATE COOPERATIVE SUPPLY & MARKETING FEDERATION

	AS ON 31.03.09 (Rs)	AS ON 31.03.08 (Rs)
SCHEDULE TO ACCOUNTS		
1		
<u>SHARE CAPITAL</u>		
AUTHORISED		
300000 EQUITY SHARES OF RS 100 /- Each	30,000,000.00	30,000,000.00
Issued, Subscribed, & Paid Up		
154750 Shares of Rs. 100/= each held by Govt. Of Sikkim(previous year 154750 Shares)	15,475,000.00	15,475,000.00
20297 Shares of Rs. 100/= each held by MPCS & CCS(previous year 14427 shares)	2,029,700.00	1,442,700.00
TOTAL	17,504,700.00	16,917,700.00
2		
<u>RESERVES & SURPLUS</u>		
Statutory Reserve	19,280,000.00	14,767,000.00
Building Fund Reserve	11,000,000.00	10,000,000.00
Depreciation Fund Reserve	1,000,000.00	1,000,000.00
Training & Education Fund Reserve	350,000.00	100,000.00
Consumer Business Reserve fund	4,750,000.00	3,000,000.00
Agri.Business Reserve fund	5,000,000.00	2,000,000.00
Horticulture & Floriculture Business Reserve Fund	3,000,000.00	-
Empolyees Benevolent Reserve Fund	250,000.00	
Grants & Subsidies transferred to Reserve	1,058,260.00	-
TOTAL	45,688,260.00	30,867,000.00
3		
<u>GRANTS & SUBSIDY</u>		
Grant received from Co-operative Department		
Government of Sikkim	-	257,471.00
Working Capital Grant for fertilizer NCDC Subsidy	10,000,000.00	10,000,000.00

	-	339,863.00
NCDC Subsidy Co-operative Society	-	440,870.00
TOTAL	10,000,000.00	11,038,204.00

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LOANS & FUNDS

ICDP Loan	-	365,000.00
NCDC Fund	-	1,289,000.00
Gratuity Fund	-	2,745,139.00
	-	4,399,139.00
Overdraft with Bank		
SISCO Bank	-	316,835.29
	-	316,835.29
TOTAL	-	4,715,974.29

SIMFED.

SCHEDULE TO ACCOUNTS Continued....

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Statement of Fixed Asset & Depreciation as on 31st, March, 2009

Fixed Assets	Rate of Dep. %	W.D.V as at 1.04.2009 (Rs)	Additions During the year (Rs)	Deletion During the year (Rs)	Total (Rs)	Depreciation (Rs)	W.D.V as at 31.03.2009 (Rs)
Furniture & Fixture	10	232,048.00			232,048.00	23,205.00	208,843.00
Weights & Measures	15	584.00	5,900.00		6,484.00	88.00	6,396.00
Office Equipment	15	155,468.00			155,468.00	23,320.00	132,148.00
Super Bazar Counter-Furnitures	10	45,345.00			45,345.00	4,535.00	40,810.00
Computers	60	233,645.00	251,691.00		485,336.00	291,202.00	194,134.00
Sony Digital Camera			8,990.00		8,990.00	-	8,990.00
EPABX systems			51,830.00		51,830.00	-	51,830.00
Inverter & UPS			250,248.00		250,248.00	-	250,248.00
Vehicles							
Sk - 02 / 3414 (Maruti Car)	15						

		99,064.00			99,064.00	14,860.00	84,204.00
Sk - 02 / 7856 (Gypsy)	15	241,122.00			241,122.00	36,168.00	204,954.00
Sk - 02 / 2910 (Gypsy) Sold	15					-	
Sk -02 A / 0335 (Bolero)	15	304,814.00			304,814.00	45,722.00	259,092.00
Sk -02 A / 2910 (Bolero)	15	311,138.00			311,138.00	46,671.00	264,467.00
Sk-02 A/ 0027 (Scorpio)	15	741,101.00			741,101.00	111,165.00	629,936.00
Sk-02 /407 (Truck)			570,827.00		570,827.00		570,827.00
Total		2,364,329.00	1,139,486.00	-	3,503,815.00	596,936.00	2,906,879.00
Previous Year		2,024,472.00	1,159,519.00	111,316.00	3,072,675.00	708,346.00	2,364,329.00

SIMFED.

SCHEDULE TO ACCOUNTS Continued....	AS ON 31.03.09 (Rs)	AS ON 31.03.08 (Rs)
6		
<u>INVESTMENTS</u>		
<u>Shares in</u>		
Citizen Bank (at cost)	10,000.00	10,000.00
NAFED (at cost)	25,000.00	25,000.00
SISCO Bank (at cost)	105,700.00	105,000.00
TOTAL	140,700.00	140,000.00
7		
CURRENT ASSETS, LOANS & ADVANCES		
<u>INVENTORIES</u>		
(AS VALUED AND CERTIFIED BY MANAGEMENT)		-
ASEPTIC Pack	245,605.00	245,605.00
Passion Fruit Pulp	-	440,800.00
Packing Tetra pack	30,850.00	30,850.00
Uniforms	288,312.00	166,719.00
Exercise Books	184,796.00	184,796.00
TOTAL	749,563.00	1,068,770.00
Consumer Business	1,623,150.00	804,771.00
TOTAL	2,372,713.00	1,873,541.00
<u>Sundry Debtors</u>		
Unsecured considered Good		
More than one year 2,76,61,312.29		
Less than one year 16,50,67,925.50	192,729,237.79	216,272,739.79
	<u>192,729,237.79</u>	216,272,739.79
OTHER RECIEVABLE		
Transport subsidy from G.O.I	527,264.50	1,238,087.50
	527,264.50	1,238,087.50
TOTAL (I)	193,256,502.29	217,510,827.29

Consumer Business

Sundry Debtors

Unsecured considered good

Less than one year- Other receivable	420,461.00	333,588.00
Receivable from Cooperation Department	7,554,276.00	7,528,470.00
TOTAL (II)	7,974,737.00	7,862,058.00
TOTAL (I+II)	201,231,239.29	225,372,885.29

SIMFED.

SCHEDULE TO ACCOUNTS Continued....	AS ON 31.03.09 (Rs)	AS ON 31.03.08 (Rs)
<u>Cash & Bank Balance</u>		
(AS CERTIFIED BY MANAGEMENT)		
i) Cash in hand		
Imprest fund in Branch	-	8,900.00
Imprest fund in Head Office	38,205.00	3,200.00
	38,205.00	12,100.00
ii) Balances with Bank		
State Bank of Sikkim	705,992.25	56,638,874.25
State Bank of India	122,598.56	525,518.56
SISCO	4,369,247.71	-
Axis	5,670,152.00	
State Bank of Patiala - New Delhi	710,273.00	
	11,578,263.52	57,164,392.81
iii) Fixed deposits With Bank		
State Bank Of India	11,000,000.00	13,000,000.00
SISCO Bank	27,500,000.00	27,500,000.00
State Bank Of Sikkim	20,000,000.00	
Allahabad Bank	-	2,745,139.00
Accrued Intrest on Fixed Deposits	5,683,955.00	2,742,143.00
	64,183,955.00	45,987,282.00
Total Cash & Bank Balance (i+ii + iii)	75,800,423.52	103,163,774.81
Consumer Business		
Cash in hand	401,578.00	257,272.00
Balance with Bank,		
Central Bank of India, Rangpo Branch	365,186.00	93,109.00
Citizen's Urban Co-operative Bank Ltd.	752,283.00	
Sikkim State Co-operative Bank Ltd.	43,099.00	

1,562,146.00 350,381.00

Agricultural Business

Balance at SISCO Bank	316,381.00	-
	316,381.00	-
	77,678,950.52	103,514,155.81

SIMFED.

SCHEDULE TO ACCOUNTS Continued....	AS ON 31.03.09 (Rs)	AS ON 31.03.08 (Rs)
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Loans & Advances

(Considered Good Unless Otherwise Stated)

(I) Advances to Branches

Gangtok Branch	-	401,897.27
Jorethang Branch	-	948.82
Mangan Branch	-	27,485.09
Super Market Counter	-	74,631.11
	-	504,962.29

(II) Advances to Co-Operative Societies

D.R.C.S Co-operative Society	-	5,500.00
Phademchem M.P.C.S	-	20,000.00
Co-operative Society I.Salt	-	82,143.00
Co-operative Society R.Oil	-	891,573.96
	-	999,216.96

(III) Advances to Others

Offical Expenses	45,345.74	75,552.74
Travelling	-	91,773.33
Festival	-	1,000.00
Passion Fruit Business	15,655.00	300,000.00
Hill Broom Business	350,000.00	300,000.00
Seed Potato Business	500,000.00	-
Cut flower Business	5,414.00	-

Ginger Business	130,000.00		-
Godown Rent	48,000.00		
Medical Expenses	50,000.00		
	1,144,414.74	768,326.07	
(IV) Loans & Advances			
Advance pending Adjustment		-	208,581.34
Revolving Fund Cardamom Auction		-	18,500.00
Revolving Fund Super Market Sales Counter	57,632.00	57,632.00	
	57,632.00	284,713.34	
(V) Agricultural Business			
Deepak Sharma	8,050.00		-
	8,050.00		-
(VI) Security Deposit			
	122,599.00	122,599.00	
(VII) Advances to Suppliers			
	38,237,429.00	2,272,308.00	
(VIII) Advance Sales Tax & Professional Tax			
	112,060.00		
(IX) Advance Income Tax			
	4,060,000.00	20,730.00	
	TOTAL (I TO IX)	43,742,184.74	4,972,855.66
	TOTAL (A TO D)	325,025,087.55	335,733,437.76

SIMFED.

SCHEDULE TO ACCOUNTS Continued....	AS ON 31.03.09 (Rs)	AS ON 31.03.08 (Rs)
8		
<u>Current Liabilities & Provisions</u>		
<u>Current Liabilities</u>		
a) Sundry Creditors	121,530,351.00	162,114,346.00
For material supplied		
	121,530,351.00	162,114,346.00
b) Advances from Customers		
Current Year	73,079,703.00	73,041,307.00
	73,079,703.00	73,041,307.00
c) Expenses Payable		
Other Expenses	773,458.00	621,785.00
	773,458.00	621,785.00
d) Tax Payable		
V.A.T On Suppliers Bill	8,684.00	8,684.00
V.A.T On SIMFED Bill	20,868,226.00	15,093,932.00
Cess on SIMFED Bill	2,548,529.00	1,682,179.00
I.Tax on Parties Bill	701,610.00	-
I.Tax House Rent	6,436.00	-
I.Tax Salary & Allowance	105.00	-
Professional Tax	300.00	
	24,133,890.00	16,784,795.00
e) Others		
Balance of Revolving Fund for Fertilizer	106,000.00	106,000.00
Temporary Deposits (E.M.D)	15,000.00	15,000.00
Payable to Co-operative Deptt. for Truck (old)	-	277,527.00
Security Deposit	-	500,000.00
	121,000.00	898,527.00
f) Provisions		
Income Tax	6,019,746.00	13,960.00
Gratuity	-	1,233,922.00
Proposed Dividend		

	2,223,587.00	1,348,352.00
	8,243,333.00	2,596,234.00
TOTAL (a to f)	227,881,735.00	256,056,994.00
(g) Consumer Business		
Sundry creditors		
For material supplied	4,035,590.00	1,620,027.00
For expenses	2,233,443.00	3,801,183.00
TOTAL	6,269,033.00	5,421,210.00
TOTAL (a to g)	234,150,768.00	261,478,204.00

SIMFED.

SCHEDULE TO ACCOUNTS Continued....	Year ended 31.03.09 (Rs)	Year ended 31.03.08 (Rs)
9		
<u>Sales</u>		
Agricultural Implements	35,452,538.00	55,829,537.00
Pesticides	16,858,131.00	11,858,604.00
Seeds & Seedling	22,226,018.00	52,658,641.00
Miscellaneous Items	91,793,981.00	123,025,839.00
Organic Manure	31,738,716.00	88,744,703.00
Live stock Feeds	1,164,557.00	2,685,862.00
Uniforms	28,783,056.00	21,498,052.00
Cement & Rod	228,678,190.00	108,532,818.00
Seed Potatoes		1,605,280.00
Exercise Books (Through branches)		13,906.00
Furniture	25,401,967.00	
Flowers	439,607.00	83,374.00
Vegetable Ginger	63,892.00	-
Passion Fruit Juice	3,093,280.00	
Passion Fruit Pulp	240,000.00	
Hill Broom	111,528.00	-
TOTAL	486,045,461.00	466,536,616.00
Consumer Business	54,700,989.00	36,401,610.00
	54,700,989.00	36,401,610.00
Agricultural Business	3,455,773.00	-
TOTAL	544,202,223.00	502,938,226.00

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Variation In Stock

Closing Stock	749,563.00	1,873,541.00
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Less: Opening Stock	1,873,541.00	3,749,625.00
Variation	(1,123,978.00)	(1,876,084.00)
Consumer Business		
Closing Stock	1,623,150.00	
Less: Opening Stock	804,771.00	
	818,379.00	
Variation	(305,599.00)	

SIMFED.

SCHEDULE TO ACCOUNTS Continued....	Year ended 31.03.09 (Rs)	Year ended 31.03.08 (Rs)
11		
<u>Interest & Other Incomes</u>		
Interest on fixed deposits	7,366,379.00	3,825,191.00
Interest on savings bank account	502,261.00	600,508.00
Miscellaneous Income (Net)	173,809.00	1,468,844.95
Commission Earned	6,634,433.00	6,850,696.00
TOTAL	14,676,882.00	12,745,239.95
Consumer Business		
Receivable from Cooperation deptt.	5,758,989.00	4,356,647.00
Bank Interest	681.00	-
TOTAL	5,759,670.00	4,356,647.00
	20,436,552.00	17,101,886.95

SCHEDULE TO ACCOUNTS Continued....

12

PURCHASES

	Year ended 31.03.09 (Rs)	Year ended 31.03.08 (Rs)
Agricultural Implements	35,441,931.00	55,418,291.00
Pesticides	16,858,131.00	11,998,453.00
Seeds & Seedlings	22,226,018.00	52,658,642.00
Miscellaneous Items	91,837,389.00	123,694,429.00
Organic Manure	31,738,716.00	88,579,237.00
Live stock Feeds	860,456.00	2,356,704.00
Uniforms	28,707,376.00	21,200,254.00
Flowers	449,563.00	79,454.00
Cement & Rod	214,521,585.00	114,463,900.00
Vegetables	117,148.00	-
Seed Potatoes		1,900,000.00
Passion Fruit Pulp	284,345.00	304,310.00
Hill Broom	139,860.00	-
Furniture	25,304,788.00	-
	468,487,306.00	472,653,674.00
Less: Trade Margin	10,412,748.00	13,663,126.00
TOTAL	458,074,558.00	458,990,548.00

Add:

Consumer Business

Purchases	60,029,176.00	40,485,250.00
(Including transportation and other expenses)	60,029,176.00	40,485,250.00

Agricultural Business

Purchases	3,431,342.00	-
(Including transportation and other expenses)		

TOTAL **521,535,076.00** **499,475,798.00**

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Employees Remuneration & Benefits

Salary & Allowances	8,213,009.00	6,451,676.00
Interim Relief	640,000.00	
Leave Travel Concession	8,833.00	

CPF Federation	169,679.00	188,861.00
Leave Salary Contribution	10,725.00	21,451.00
Pension Contribution	11,700.00	23,400.00
Medical expenses	26,685.00	39,661.00
Medi Claim Insurance	442,628.00	
Gratuity	2,814,762.00	507,414.00
Wages	17,800.00	12,000.00
TOTAL	12,355,821.00	7,244,463.00
Consumer Business		
Wages & Allowance	112,151.00	32,400.00
TOTAL	12,467,972.00	7,276,863.00

SCHEDULE TO ACCOUNTS Continued....	Year ended 31.03.09 (Rs)	Year ended 31.03.08 (Rs)
14		
<u>ADMINISTRATIVE EXPENSES</u>		
Chairman's Benovoilent Expenses		80,000.00
Travelling & Conveyance	65,161.00	108,599.00
Vehicle running & Maintainance	591,229.00	513,901.00
House Rent (Chairman)		6,000.00
Office Rent	432,000.00	432,000.00
Electricity	47,162.00	61,555.00
Printing & Stationary	363,030.00	300,091.00
Postage, Telegram & Telephone	56,138.00	55,465.00
Insurance Premium	60,103.00	72,756.00
Donation & Subscription	230,000.00	50,000.00
Meeting Expenses	179,050.00	87,708.00
Audit Fees	30,000.00	30,000.00
Books & Periodicals	12,515.00	7,204.00
Consultancy Fees	232,042.00	30,000.00
Co-op. Week Celebration		197,350.00
Miscellaneous Office Expenses	116,021.00	107,666.00
Loss on Sale of Vehicle		71,316.00
Office Expenses	166,583.00	10,750.00
Water Supply	910.00	
Honorarium	36,300.00	
TOTAL	2,618,244.00	2,222,361.00
Consumer Business		
Electricity	9,720.00	3,084.00
Office Expenses	35,102.00	62,177.00
Printing and Stationery	5,744.00	7,361.00
Telephone Expenses		7,506.00
Repairs and Maintenance Office Premises.	16,112.00	13,520.00
Repairs and Maintenance Vehicles	257,689.00	206,196.00
Misc.Expenses	9,724.00	168.00
HSD / Fuel Expenses	751,065.00	
Godown Rent		

	18,000.00	
Water Tax	220.00	
TOTAL	1,103,376.00	300,012.00
TOTAL (A+B)	3,721,620.00	2,522,373.00
15		
<u>Marketing Expenses</u>		
Advertisement	254,815.00	114,925.00
Marketing & Sales Promotion	502,449.00	301,317.00
Godown Rent	130,933.00	-
Loading & Unloading & Transportation	122,259.00	-
Expenses for sale of vegetables	25,190.00	
Rent Regulatoy Market in Siliguri	56,800.00	
Electricity Regulatory Market in Siliguri	1,300.00	
Expenses for Passion Fruit	784,720.00	
	1,878,466.00	416,242.00
Consumer Business	19,090.00	-
TOTAL	1,897,556.00	416,242.00

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	Year ended 31.03.09 (Rs)	Year ended 31.03.08 (Rs)
<u>Financial Charges</u>		
Bank Charges	3,074.00	2,251.00
Interest on Over Draft	458.00	9,470.00
	3,532.00	11,721.00
Consumer Business		
Bank Charges	15,245.00	14,530.00
TOTAL	18,777.00	26,251.00

17. NOTES ON ACCOUNTS						
1	SIGNIFICANT ACCOUNTING POLICIES.					
1.1	Basis of preparation of Financial Statements.					
	The accompanying financial statements have been prepared to comply, in all material aspects with applicable statutory/ regulatory provisions, Accounting Standards and generally accepted accounting principles and practices prevailing in India.					
1.2	Recognition of Income and Expenditure					
	These accounts have been prepared under the historical cost convention on the basis of going concern, with revenues recognised and expenses accounted on their accrual including provisions/ adjustments for committed obligations and determined as payable or receivable during the year.					
1.3	Use of Estimates					
	In preparing the Financial statements in conformity with accounting principles generally accepted in India management is required to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities as at the date of Financial Statements and the amount of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period the same is determined.					
1.4	Fixed Assets.					
	Fixed Assets are stated at written down value. In case of new additions to fixed assets cost comprises of cost of acquisition and any attribual cost of bringing the assets for its intended use.					
1.5	Depreciation					
	Depreciation on fixed assets has been provided on Written Down Value Method at the rates specified in the Income Tax Act 1961.					
1.6	Inventories					
	Inventories are valued at cost by the management on FIFO method.					
1.7	Exceptional Items and changes in Accounting Policies					
	Exceptional Items and changes in accounting policies having Material impact on the financial affairs of the Co-operative are disclosed.					
2	Employees Benefits					
2.1	Short term employee's benefit is recognised as an expenses in the Profit & Loss Account of the year in which the related service is rendered.					
2.2	Post employment and other long term benefits are provided for in the following manner:					
	(i) Gratuity - the present value of liability as at the date of Balance Sheet is Rs 28,14,762.00 the same being determined by Life Insurance Corporation of India.					
	(ii) Provident Fund - is defined contribution scheme managed by a trust where the employee and the Co-operative make equal monthly contributions. The Federation's contribution is charged to the revenue.					
3	Tax Liability					
3.1	The liability of Value Added Tax on sales income is taken as paid to the extent of the tax deducted at source certificate is received from customers. An amount of Rs 2,08,68,226.00 is payable as on 31.03.2009 for which tax deducted at source certificates is yet to be received from the customers.					
3.2	The Federation has made a provision for Income Tax payable under the Income Tax Act,1961.Advance					

	Income Tax has been paid during the year.					
4	Unusual Items				Rs	
	Credit Balances					
	Grant Received from Department of					
	Cooperation				257,471.00	
	ICBP loan				365,000.00	
	NCDC Fund				1,289,000.00	
	Provision for Gratuity				1,233,922.00	
	Gratuity Fund				2,745,139.00	
	Total				5,890,532.00	
	Debit Balances					
	Advance to Branches				504,962.29	
	Advance to Cooperative Societies				973,716.96	
	Advance to DRCS Cooperative				5,500.00	
	Advance to Padamchey MPCS				20,000.00	
	Travelling Expenses				88,275.33	
	Advance Pending Adjustment				208,581.34	
	Revolving Fund of Cardoman Auction				18,500.00	
	Total				1,819,535.92	
	Net Credit				4,070,996.08	
5	Debit & Credit Balances					
5.1	Debit and Credit balances are subjected to confirmation and reconciliation.					
6	Previous years figures have been re-grouped and re-classified wherever necessary to confirm to current year's classification.					

AGENDA NO 6:

**To consider and approve the Business Development Plan for 2009-10
with the business budget for the year 2009-2010.**

- 1. Improve the forward and backward linkages with the MPCS, CCS and other societies.**
 - Increase the Product mix of the items supplied to the MPCS. Prices and quantity will not be compromised.
 - Encourage the MPCS to take up the marketing of the products of their members and forward the same to SIMFED.
 - Arrange for financial assistance to the member societies for marketing purposes.
 - SIMFED to arrange for the Capacity building of the member societies in various aspects as marketing, post harvest management, packaging, presentation etc.
- 2. Set up and improve the systems of collection, sorting, grading and packaging of the agriculture, Horticulture and the floriculture produce in the rural area itself.**
 - Identify and set up collection centres in the rural areas.
 - Employ and train manpower for sorting, grading and packaging of the Agriculture, Horticulture and the Floriculture produce.
- 3. Set up and improve a system for the Marketing of the Agriculture, Horticulture and the Floriculture produce of the state of Sikkim.**
 - Employ field manpower to encourage the farmers to sell their produce at the SIMFED collection centres.
 - Facilitate the farmers by providing transportations facilities, packaging materials etc.
 - Create a network outside the state to dispose the produces.
- 4. Work out and execute contract farming.**
 - Shortlist farmers for growing various feasible agriculture, horticulture and floriculture produce.
 - Buy planting materials from reputed companies with an agreement for buy back.
 - Provide planting materials to the farmers with an agreement to buy back the produce.
 - Provide Technical and financial back up to farmers.
- 5. Work out a solution for setting up a proper cold chain so that the shelf life of the perishable products increases and the same can be sold at remunerative prices.**
 - Propose to take over the cold rooms created by the H&CCD Department.
 - Propose to create cold storage in other places where the facility is not available.
- 6. Expansion of the market outside Sikkim for Floriculture, Horticulture and Agriculture produce.**
 - Creation of domestic and international marketing network outside the state.
 - To take over and initiate business at Sikkim Organics, Greater Kailash, New Delhi and similarly open outlets in other parts of India also in the next 5 years.
- 7. Creation of an interactive website for e-bussiness.**
- 8. Initiate process for application of ISO 9001 for SIMFED.**

BUSINESS DEVELOPMENT PLAN BUDGET OF SIMFED FOR THE YEAR 2009-2010.

Particulars	2008-09 Actual	2009-10 Estimated
Organic Manure	31,738,716.00	36,499,523.40
Live stock Feed	1,164,557.00	5,000,000.00
Seeds	22,226,018.00	25,559,920.70
Pesticides	16,858,131.00	19,386,850.65
Agri Implements	35,452,538.00	45,000,000.00
Uniforms	28,783,056.00	30,000,000.00
Cement	228,678,190.00	297,281,647.00
Misc Items	95,127,261.00	109,396,350.15
Consumer Goods	54,700,989.00	65,000,000.00
SAP Mktg	3,631,193.00	20,080,000.00
School Furnitures	25,401,967.00	30,000,000.00
Floriculture Marketing	439,607.00	9,000,000.00
Total	544,202,223.00	692,204,291.90

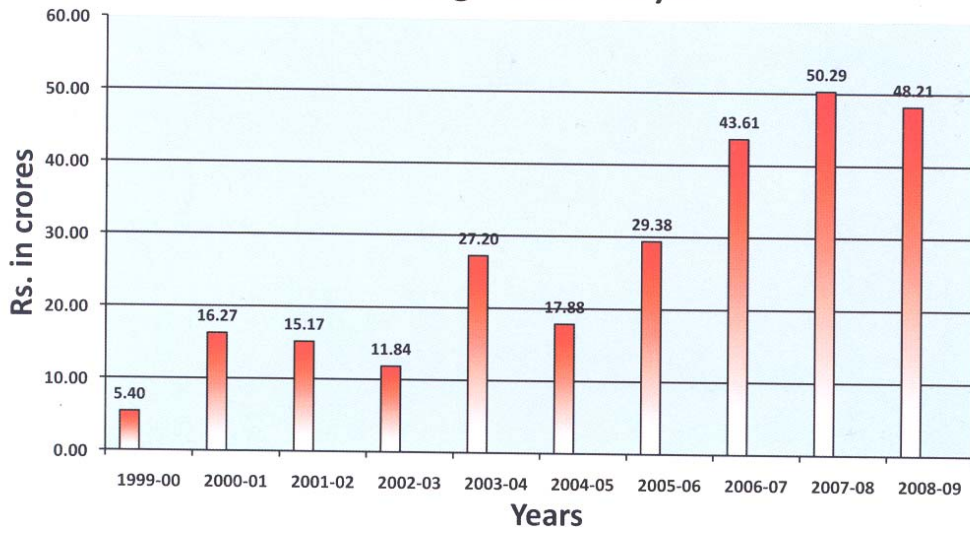
AGENDA NO 7:

To consider and approve the Income and Expenditure Budget of the Federation for the year 2009-2010.

INCOME AND EXPENDITURE BUDGET FOR THE YEAR 2009-10

Particulars	Expenditure		Particulars	Income	
	Actual	Estimated		Actual	Estimated
	2008-09	2009-10		2008 -09	2009-10
Advertisement	2,54,815.00	3,00,000.00	Misc Income	1,73,809.00	1,99,880.35
Salary & allowances	82,13,009.00	90,00,000.00	Trade Margin	66,34,433.00	76,29,597.95
Travelling & conveyance	65,161.00	72,000.00	Interest on fix deposit	73,66,379.00	84,71,335.85
C.P.F.Federation	1,69,679.00	1,90,000.00	Interest on saving a/c	5,02,261.00	5,77,600.15
Donation & subscription	2,30,000.00	2,53,000.00			
Office Expenses	1,66,583.00	1,84,000.00			
Office rent	4,88,800.00	5,64,000.00			
Interim Relief	6,40,000.00	nil			
Consultancy Charges	2,32,042.00	1,20,000.00			
Audit fees	30,000.00	30,000.00			
Godown rent	1,30,933.00	1,35,000.00			
Mediclaime Insurance Premium	4,42,628.00	4,50,000.00			
Insurance premium	60,103.00	66,000.00			
Wages (sweeper)	17,800.00	18,000.00			
Printing & stationary	3,63,030.00	4,00,000.00			
Postage,telegram & telephone	56,138.00	62,000.00			
Medical expenses	26,685.00	30,000.00			
Meeting expenses	1,79,050.00	2,00,000.00			
Misc.Office expenses	1,16,021.00	1,30,000.00			
Vehicle running & maintenance	5,91,229.00	6,50,000.00			
Processing Charges of Passion Juice	7,84,720.00	nil			
Expenses on sale of Vegetable	25,190.00	nil			
Marketing & sales promotion	5,02,449.00	5,00,000.00			
Books & periodicals	12,515.00	14,000.00			
Electricity	48,462.00	53,000.00			
Honorarium	36,300.00	40,000.00			
Water supply	910.00	1,000.00			
Leave salary & pension contribution	22,425.00	50,000.00			
Gratuity	2814762.00	6,00,000.00			
Bank charges	3,532.00	5,000.00			
Transportation	1,22,259.00	1,35,000.00			
TOTAL	1,68,47,230.00	1,42,52,000.00		1,46,76,882.00	1,68,78,414.30

Chart showing the turnover of SIMFED during the last ten years



Profit of SIMFED during the last Five years

