

SIMFED

Annual Report 2009-2010

AGENDA NO. 1 :

Confirmation of the minutes of the 7th Annual General Meeting of SIMFED held on the 7th August 2009.

AGENDA NO. 2 :

To consider the Annual Report of the Board of Directors for the year 2009-10.

ANNUAL REPORT OF THE BOARD OF DIRECTORS 2009-10

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 8th 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 2009-10 (ended 31st March 2010).

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. 177.948 lakhs as paid up share capital for which the break up are given below :-

SHARE HOLDERS (as on 31.03.10)	Nos.	Amount (In Rs.)
1. State Government	1,54,750	1,54,75,000.00
2. Cooperative Societies (Total Member Societies = 191)	23,198	23,19,800.00
Total paid up share Capital (as on 31.03.10)	1,77,948	1,77,94,800.00

During the year 2009-10 we have issued 2901 shares of Rs. 100.00 each to MPCS. Due to this, the Issued, Subscribed and Paid Up share capital increased to 1,77,948 shares from 175047 shares registering a positive growth of 1.65%.

2. RESERVES AND RESULTS OF OPERATIONS

Total reserve increased from Rs.456.88 Lacs in the previous year to Rs. 492.94 Lacs during 2009-10 registering a growth rate of 7.89% . The operating profit decreased by 45.41% i.e. the operating profit decreased from Rs. 240.95 Lacs during 2008-09 to Rs. 165.70 Lacs during 2009-10.

3. INVESTMENT

Total investment of SIMFED in all heads amounted to Rs. 6,16,58,643.00.

4. FINANCIAL RESULTS

The financial result of the Federation for the year ended 31st March 2010 is given below :

	Rs. (in Lacs)
Income from Sales	5088.20
Expenses on Purchases	4977.66
Net Profit	165.70
Selling and Marketing Expenses	21.29
General and Administrative Expenses	194.34
VAT on SIMFED Bills	294.26
Operating Profit before depreciation	157.42
Depreciation	8.28
Other income	179.16
Profit brought forward	207.29
Amount available for Appropriation	331.52
Transfer to General Reserve	31.06
Transfer to Building Reserve Fund	-
Proposed Dividend	8.89
Balance in Profit & Loss A/C	286.56

5. PROFIT

The net profit of the Federation is Rs. 165.70 Lacs during the year 2009-10.

6. DISTRIBUTION OF PROFIT

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 52nd Board of Directors Meeting.

Accordingly the Board of management has approved and recommended for the distribution of audited profits earned during the year 2009-10 as below :-

	Rs. In Lacs
Transfer to General Reserve	31.06
Transfer to Building Reserve Fund	NIL
Marketing of Agri Business	NIL
Marketing of Consumer Business	NIL
Horticulture and Floriculture Business Reserve Fund	NIL
Employees Benevolent Reserve Fund	2.50
Training and Education Reserve Fund	2.50

TOTAL : 36.06

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 52nd Board of Directors Meeting. Accordingly the Board of management has approved and recommended for the declaration of Dividend during the year 2009-10 at the rate of Rs. 5/- per share aggregating to Rs. 8,89,740.00 for the year 2009-10. 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	23,198 shares	Rs. 1,15,990.00
TOTAL	1,75,047 shares	Rs. 8,89,740.00

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 2009-10 . The total value of the Agriculture Surplus produces marketed by SIMFED during 2009-10 was Rs. 60,55,290.00 against the total value of Rs. 36,31,193.00 during the year 2008-09. This is an increase by 66.75%.

9. AUDIT

The financial statements for the year ended 31st March 2010, has been audited by M/s A.K.Kumar & Co. , Chartered Accountants, Kolkata. 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 2009-10 met 3 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 2009-10 marketing of Agriculture and Horticulture Surplus produce worth Rs. 60,55,290.00 was done as compared to Rs. 36,31,193.00 during the last financial year.

In addition to it, cut flowers namely cymbidium orchids, Oriental and Asiatic Lilium, Gentadesia, Gerbera, Roses etc. worth Rs. 53,38,740.00 were also marketed to Delhi, Guwahati and Kolkata markets as compared to Rs. 4,39,607.00 during the last financial

year. Contractual farming in liliun has been a success and the farmers have been paid remunerative prices.

Further, SIMFED in order to stabilize the prevailing market price of Consumer Household is continuing with the operation of the retail outlets in Namchi and Jorethang in addition to the retail outlet at Super Market Complex. The Federation has been successful in regularizing the market price of the commodity and we have achieved in doing these business, hence fulfilling the mandate given under our Bye Laws.

In order to fulfill the visions of the Hon'ble Chief Minister of Sikkim and to support the Sikkim Organic Mission 2015, SIMFED has recently taken over the Sikkim Organics retail outlet in GK1, New Delhi. SIMFED will be marketing the floriculture produce and the organic produces of the state from this retail outlet under the brand name of SIKKIM ORGANICS.

SIMFED in order to expand its business has been concentrating on contractual farming and marketing of the medicinal plants of the state of Sikkim. With the approval of the State government a MOU has been signed with the Himalaya Drug Company, Bangalore to market the medicinal plants and herbs of Sikkim.

MOUs have also been signed with other organic companies like the M/s. International Pannecae Limted and M/s. Morarka Foundation.

We have tried to streamline our trading activities in more smooth and systematic manner . SIMFED's own dynamic website, www.simfed.in has been launched wherein tenders etc are uploaded regularly.

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 C.B. Karki for his invaluable guidance and support. 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

AUDITOR'S REPORT

The Managing Director,
Sikkim State Co-operative Supply And Marketing Federation Limited.
Consumer Business

- 1 We Have audited the attached Balance Sheet And Profit And Loss Account of Consumer Business of Sikkim State Co-operative Supply And Marketing Federation Limited for the year ended 31st March, 2010 and annexed thereto.
These Financial Statements are the responsibility of the Co-operative's Management and our responsibility is to express our opinion based on the records and documents as produced to us.
- 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 Consumer Business of the Federation as at 31st March 2010.
 - (ii) The Profit & Loss Account read with the Notes on Accounts shows a true balance of loss for the year ended 31st March 2010.
 - 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.

Date:9th August, 2010
Place: Gangtok

A. K Kumar & Co.
Chartered Accountants

A. K Kumar
(Proprietor)

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

	SCH. NO	AS ON 31.03.2010 (Rs)	AS ON 31.03.2009 (Rs)
<u>SOURCES OF FUNDS</u>			
SHARE CAPITAL	1	17,794,800.00	17,504,700.00
RESERVES & SURPLUS	2	49,944,624.25	45,688,260.00
PROFIT & LOSS ACCOUNT		30,608,292.21	20,728,938.55
GRANTS & SUBSIDY	3	-	10,000,000.00
LOANS AND FUNDS	4	3,101,182.00	-
		<u>101,448,898.46</u>	<u>93,921,898.55</u>
<u>APPLICATION OF FUNDS</u>			
FIXED ASSETS	5	4,504,692.00	2,906,879.00
INVESTMENTS	6	491,250.00	140,700.00
		<u>4,995,942.00</u>	<u>3,047,579.00</u>
CURRENT ASSETS, LOANS & ADVANCES	7	447,327,757.66	325,025,087.55
LESS : CURRENT LIABILITIES & PROVISIONS	8	<u>350,874,801.20</u>	<u>234,150,768.00</u>
NET CURRENT ASSETS		96,452,956.46	90,874,319.55
		<u>101,448,898.46</u>	<u>93,921,898.55</u>

NOTES ON ACCOUNTS

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

In terms of our report of even date

Place - Gangtok
Date - 9th August, 2010

For: A.K. Kumar &
Co.
Chartered Accountants

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

	SCH. NO	Year Ended 31.03.2010 (Rs)	Year Ended 31.03.2009 (Rs)
<u>INCOME</u>			
SALES	9	508,820,227.20	544,202,223.00
Variation in Stock	10	374,013.00	(305,599.00)
INTEREST & OTHER INCOME	11	17,915,716.71	20,436,552.00
		<u>527,109,956.91</u>	<u>564,333,176.00</u>
<u>EXPENDITURE</u>			
PURCHASES	12	497,765,972.00	521,535,076.00
EMPLOYEES REMUNERATION & BENEFITS	13	11,575,067.00	12,467,972.00
ADMINISTRATIVE EXPENSES	14	3,858,475.00	3,721,620.00
MARKETING EXPENSES	15	2,129,473.00	1,897,556.00
FINANCIAL CHARGES	16	382,731.00	18,777.00
DEPRECIATION	5	828,381.00	596,936.00
		<u>516,540,099.00</u>	<u>540,237,937.00</u>
NET PROFIT BEFORE TAX		10,569,857.91	24,095,239.00
PROVISION FOR INCOME TAX		5,544,400.00	6,019,746.00
NET PROFIT AFTER TAX		5,025,457.91	18,075,493.00
UNUSUAL ITEMS [NET] (Schedule -17, Note - 4)		10,000,000.00	4,070,996.08
		15,025,457.91	22,146,489.08
PROFIT BROUGHT FORWARD		20,728,938.55	13,220,684.47
AMOUNT AVAILABLE FOR APPROPRIATIONS		<u>35,754,396.46</u>	<u>35,367,173.55</u>
<u>APPROPRIATIONS</u>			
STATUTORY RESERVE		3,756,364.25	4,513,000.00
BUILDING RESERVE FUND			1,000,000.00
CONSUMER BUSINESS RESERVE FUND			1,750,000.00
AGRI.BUSINESS RESERVE FUND HORTICULTURE & FLORICULTURE BUSINESS			3,000,000.00

RESERVE FUND		3,000,000.00
TRAINING & EDUCATION FUND RESERVE	250,000.00	250,000.00
EMPLOYEES BENEVOLENT RESERVE FUND	250,000.00	250,000.00
PROPOSED DIVIDEND	889,740.00	875,235.00
BALANCE TRANSFERED TO BALANCE SHEET	30,608,292.21	20,728,938.55
	<u>35,754,396.46</u>	<u>35,367,173.55</u>

NOTES ON ACCOUNTS

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: - 9th August, 2010

For: A.K. Kumar & Co.
Chartered Accountants

(Anjan Kumar)
(Proprietor)

SIKKIM STATE COOPERATIVE SUPPLY & MARKETING FEDERATION

SCHEDULE TO ACCOUNTS	AS ON 31.03.10 (Rs)	AS ON 31.03.09 (Rs)
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)	2,319,800.00	2,029,700.00
TOTAL	17,794,800.00	17,504,700.00
2. <u>RESERVES & SURPLUS</u>		
Statutory Reserve	22,385,650.98	19,280,000.00
Building Fund Reserve	11,000,000.00	11,000,000.00
Depreciation Fund Reserve	1,000,000.00	1,000,000.00
Training & Education Fund Reserve	600,000.00	350,000.00
Consumer Business Reserve fund	4,750,000.00	4,750,000.00
Agri.Business Reserve fund	5,000,000.00	5,000,000.00
Horticulture & Floriculture Business Reserve Fund	3,000,000.00	3,000,000.00
Empolyees Benevolent Reserve Fund	500,000.00	250,000.00
Grants & Subsidies transferred to Reserve	1,058,260.00	1,058,260.00
TOTAL	49,293,910.98	45,688,260.00
3. <u>GRANTS & SUBSIDY</u>		
Grant received from Co-operative Department Government of Sikkim		-
Working Capital Grant for fertilizer		10,000,000.00
TOTAL	-	10,000,000.00
4. <u>LOANS & FUNDS</u>		
Overdrafts with Bank		-
Axis Bank	422,426.00	-
Vehicle Loan SISCO Bank	661,807.00	-
TOTAL	1,084,233.00	-
Consumer Bussiness		-
Overdraft with Citizens' Bank	2,016,949.00	-
TOTAL	2,016,949.00	-
TOTAL	3,101,182.00	-

SIMFED.

SCHEDULE TO ACCOUNTS Continued....

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Statement of Fixed Asset & Depreciation as on 31st, March, 2010

<u>Fixed Assets</u>	<u>Rate of Dep. %</u>	<u>W.D.V as at 1.04.2009 (Rs)</u>	<u>Additions During the year (Rs)</u>	<u>Deletion During the year (Rs)</u>	<u>Total (Rs)</u>	<u>Depreciation (Rs)</u>	<u>W.D.V as at 31.03.2010 (Rs)</u>
Furniture & Fixture	10	413,041.00	648,004.00		1,061,045.00	106,105.00	954,940.00
Furniture & Fixture(NIC)	10	77,172.00			77,172.00	7,718.00	69,454.00
Weights & Measures	15	6,396.00			6,396.00	960.00	5,436.00
Office Equipment	15	132,148.00	80,628.00		212,776.00	31,917.00	180,859.00
Super Bazar Counter-Furnitures	10	40,810.00			40,810.00	4,081.00	36,729.00
Computers	60	194,134.00			194,134.00	116,481.00	77,653.00
Sony Digital Camera	15	8,990.00			8,990.00	1,349.00	7,641.00
EPABX systems	15	51,830.00			51,830.00	7,775.00	44,055.00
Inverter & UPS	15	250,248.00	226,714.00		476,962.00	71,545.00	405,417.00
Packaging Machines	15		25,954.00		25,954.00	3,894.00	22,060.00

Vehicles

Bolero Pick-up 2 Wd	15	480,497.00		480,497.00	72,075.00	408,422.00
SK 01-0535 (Verna)	15	664,277.00		664,277.00	99,642.00	564,635.00
Sk - 02 / 3414 (Maruti Car)	15	84,204.00		84,204.00	12,631.00	71,573.00
Sk - 02 / 7856 (Gypsy)	15	204,954.00		204,954.00	30,744.00	174,210.00
Sk -02 A / 0335 (Bolero)	15	259,092.00		259,092.00	38,864.00	220,228.00
Sk -02 A / 2910 (Bolero)	15	264,467.00		264,467.00	39,671.00	224,796.00
Sk-02 A/ 0027 (Scorpio)	15	629,936.00		629,936.00	94,491.00	535,445.00
Sk-02 /407 (Truck)		570,827.00		570,827.00	85,625.00	485,202.00
Total (A)		<u>3,188,249.00</u>	<u>2,126,074.00</u>	<u>-</u>	<u>5,314,323.00</u>	<u>825,568.00</u>
Floriculture Division (B)						
Electronic Weighing Machines			<u>18,750.00</u>		<u>18,750.00</u>	<u>2,813.00</u>
Total (A+B)		<u>3,188,249.00</u>	<u>2,144,824.00</u>		<u>5,333,073.00</u>	<u>828,381.00</u>
Previous Year		<u>2,364,329.00</u>	<u>1,139,486.00</u>		<u>3,503,815.00</u>	<u>596,936.00</u>

SIMFED.

SCHEDULE TO ACCOUNTS Continued....	AS ON 31.03.10 (Rs)	AS ON 31.03.09 (Rs)
6		
<u>INVESTMENTS</u>		
<u>Shares in</u>		
Citizen Bank (at cost)	10,000.00	10,000.00
UTI Mutual Fund	100,000.00	
NAFED (at cost)	231,250.00	25,000.00
SISCO Bank (at cost)	150,000.00	105,700.00
TOTAL	491,250.00	140,700.00
7		
CURRENT ASSETS, LOANS & ADVANCES		
A. <u>INVENTORIES</u>		
(AS VALUED AND CERTIFIED BY MANAGEMENT)		
ASEPTIC Pack	245,605.00	245,605.00
Passion Fruit Pulp	-	-
Packing Tetra pack	30,850.00	30,850.00
Uniforms		288,312.00
Exercise Books		184,796.00
TOTAL	276,455.00	749,563.00
Consumer Business	1,613,311.00	1,623,150.00
Agriculture	495,591.00	
Floriculture	361,347.00	
TOTAL (A)	2,746,704.00	2,372,713.00
B. <u>Sundry Debtors</u>		
Unsecured considered Good		
More than one year	2,76,61,312.29	
63.528,778.00		
Less than one year	16,50,67,925.50	
262,385,743.00	325,914,521.00	192,729,237.79

	325,914,521.00	192,729,237.79
OTHER RECIEVABLE		
Transport subsidy from G.O.I	527,264.50	527,264.50
	527,264.50	527,264.50
	326,441,785.50	193,256,502.29
Consumer Business		
Sundry Debtors		
Unsecured considered good		
Less than one year-	401,296.00	420,461.00
Other receivable		
Receivable from Cooperation Department	11,168,245.00	7,554,276.00
	11,569,541.00	7,974,737.00
Floriculture		
Sundry Debtors	2,569,969.00	
	2,569,969.00	
TOTAL (B)	340,581,295.90	201,231,239.29

SIMFED.

SCHEDULE TO ACCOUNTS Continued....	AS ON 31.03.10 (Rs)	AS ON 31.03.09 (Rs)
C. Cash & Bank Balance		
(AS CERTIFIED BY MANAGEMENT)		
i) Cash in hand		
Imprest fund in Branch		-
Imprest fund in Head Office	253,508.00	38,205.00
	253,508.00	38,205.00
ii) Balances with Bank		
State Bank of Sikkim	1,272,938.75	705,992.25
State Bank of India	13,556.56	122,598.56
SISCO	1,046,737.71	4,369,247.71
Axis	2,500,000.00	5,670,152.00
State Bank of Patiala - New Delhi	60,273.00	710,273.00

	4,893,506.02	11,578,263.52
iii) Fixed deposits With Bank		
State Bank Of India	11,000,000.00	11,000,000.00
SISCO Bank	34,500,000.00	27,500,000.00
State Bank Of Sikkim	5,000,000.00	20,000,000.00
Allahabad Bank	7,000,000.00	-
Accrued Intrest on Fixed Deposits	3,667,393.00	5,683,955.00
	61,167,393.00	64,183,955.00
Total Cash & Bank Balance (i+ii + iii)	66,314,407.02	75,800,423.52
Consumer Business		
Cash in hand	168,400.00	401,578.00
Balance with Bank,		
Central Bank of India, Rangpo Branch		365,186.00
Citizen's Urban Co-operative Bank Ltd.	365,986.00	752,283.00
Sikkim State Co-operative Bank Ltd.	1,805.00	43,099.00
	536,191.00	1,562,146.00
Agricultural Business		
Balance at SISCO Bank	401,272.00	316,381.00
	401,272.00	316,381.00
Floriculture Bussiness		
Indian Overseas Bank	397,750.00	
Cash - in - Hand	100,000.00	
	497,750.00	
TOTAL (C)	67,749,620.02	77,678,950.52

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SCHEDULE TO ACCOUNTS Continued....	AS ON 31.03.10 (Rs)	AS ON 31.03.09 (Rs)
D. <u>Loans & Advances</u> (Considered Good Unless Otherwise Stated)		
(I) Advances to Others		
Offical Expenses	364,861.74	45,345.74
Travelling	500,000.00	-
Festival	800.00	-
Passion Fruit Business	15,655.00	15,655.00
Hill Broom Business	898,200.00	350,000.00
Seed Potato Business	190,029.00	500,000.00
Cut flower Business	5,414.00	5,414.00
Ginger Business	295,000.00	130,000.00
Godown Rent	80,000.00	48,000.00
Medical Expenses	1,570.00	50,000.00
	2,351,529.74	1,144,414.74
(II)Loans & Advances		
Revolving Fund Super Market Sales Counter	57,632.00	57,632.00
	57,632.00	57,632.00
(III) Agricultural Business		
Staff	382,920.00	8,050.00
	382,920.00	8,050.00
(IV) Flroiculture Business		
Advance to Suppliers	400,000.00	
	400,000.00	
(V) Security Deposit	322,599.00	122,599.00
(VI) Earnest Money Deposit	182,500.00	
(VII) Advances to Suppliers	23,178,183.00	38,237,429.00
(VIII) Advance Sales Tax & Professional Tax		

	134,329.00	112,060.00
(IX) Advance Income Tax	9,230,340.00	4,060,000.00
(X) I.T. deducted on Commssion	10,105.00	
	36,250,137.74	43,742,184.74
TOTAL (A TO D)	447,327,757.66	325,025,087.55

SIMFED.

	AS ON 31.03.10 (Rs)	AS ON 31.03.09 (Rs)
SCHEDULE TO ACCOUNTS Continued....		
8		
<u>Current Liabilities & Provisions</u>		
<u>Current Liabilities</u>		
a) Sundry Creditors		
For material supplied	223,503,309.00	121,530,351.00
	223,503,309.00	121,530,351.00
b) Advances from Customers		
Current Year	75,698,215.00	73,079,703.00
	75,698,215.00	73,079,703.00
c) Expenses Payable		
Other Expenses	1,119,183.00	773,458.00
	1,119,183.00	773,458.00
d) Tax Payable		
V.A.T On Suppliers Bill	8,684.00	8,684.00
V.A.T On SIMFED Bill	29,425,853.00	20,868,226.00
Cess on SIMFED Bill	3,555,875.00	2,548,529.00
I.Tax on Parties Bill	648,334.00	701,610.00
I.Tax House Rent	6,436.00	6,436.00
I.Tax Salary & Allowance	105.00	105.00
Professional Tax	300.00	300.00
	33,645,587.00	24,133,890.00
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)		-
Income Tax Deducted at source	7,251.00	-
Employees Provident Fund Subscription	219,684.00	
	347,935.00	121,000.00
f) Provisions		
Income Tax	10,167,000.00	6,019,746.00

Proposed Dividend	889,740.00	2,223,587.00
	11,056,740.00	8,243,333.00
TOTAL (a to f)	345,370,969.00	227,881,735.00

(g) Consumer Business

Sundry creditors

For material supplied	5,828,080.00	4,035,590.00
For expenses	1,242,247.00	2,233,443.00

TOTAL	7,070,327.00	6,269,033.00
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(g) Floiculture Business

For material supplied	709,021.20	
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For expenses	327,338.00	
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TOTAL	1,036,359.20	-
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	353,477,655.20	234,150,768.00
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SIMFED.

	AS ON 31.03.10 (Rs)	AS ON 31.03.09 (Rs)
SCHEDULE TO ACCOUNTS Continued....		
8		
<u>Current Liabilities & Provisions</u>		
<u>Current Liabilities</u>		
a) Sundry Creditors		
For material supplied	223,503,309.00	121,530,351.00
	223,503,309.00	121,530,351.00
b) Advances from Customers		
Current Year	75,698,215.00	73,079,703.00
	75,698,215.00	73,079,703.00
c) Expenses Payable		
Other Expenses	1,119,183.00	773,458.00
	1,119,183.00	773,458.00
d) Tax Payable		
V.A.T On Suppliers Bill	8,684.00	8,684.00
V.A.T On SIMFED Bill	29,425,853.00	20,868,226.00
Cess on SIMFED Bill	3,555,875.00	2,548,529.00
I.Tax on Parties Bill	648,334.00	701,610.00
I.Tax House Rent	6,436.00	6,436.00
I.Tax Salary & Allowance	105.00	105.00
Professional Tax	300.00	300.00
	33,645,587.00	24,133,890.00
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)		-
Income Tax Deducted at source	7,251.00	-
Employees Provident Fund Subscription	219,684.00	
	347,935.00	121,000.00
f) Provisions		
Income Tax	10,167,000.00	6,019,746.00

Proposed Dividend	889,740.00	2,223,587.00
	11,056,740.00	8,243,333.00
TOTAL (a to f)	345,370,969.00	227,881,735.00

(g) Consumer Business

Sundry creditors

For material supplied	5,828,080.00	4,035,590.00
For expenses	1,242,247.00	2,233,443.00
TOTAL	7,070,327.00	6,269,033.00

(h) Floriculture Business

For material supplied	709,021.20	
For expenses	327,338.00	
TOTAL	1,036,359.20	-
	353,477,655.20	234,150,768.00

SIMFED.

SCHEDULE TO ACCOUNTS Continued....	Year ended 31.03.10 (Rs)	Year ended 31.03.09 (Rs)
9		
<u>Sales</u>		
Agricultural Implements	34,832,576.00	35,452,538.00
Pesticides	1,307,640.00	16,858,131.00
Seeds & Seedling	19,730,680.00	22,226,018.00
Miscellaneous Items	75,859,670.00	91,793,981.00
Organic Manure	47,345,731.00	31,738,716.00
Live stock Feeds	5,992,154.00	1,164,557.00
Uniforms	40,373,163.00	28,783,056.00
Cement & Rod	192,626,510.00	228,678,190.00
Furniture	26,185,720.00	25,401,967.00
Flowers		439,607.00
Vegetable		63,892.00
Passion Fruit Juice		3,093,280.00
Passion Fruit Pulp		240,000.00
Hill Broom		111,528.00
Medicinal Plants	1,457,500.00	
Pulses under MMAPY	6,065,508.00	
TOTAL	451,776,852.00	486,045,461.00
Consumer Business	45,649,345.00	54,700,989.00
Agricultural Business	6,055,290.00	
Floriculture Business	5,338,740.20	3,455,773.00
TOTAL	508,820,227.20	544,202,223.00

10. Variation In Stock

Closing Stock	276,455.00	749,563.00
Less: Opening Stock	749,541.00	1,873,541.00
Variation	473,086.00	(1,123,978.00)

Consumer Business

Variation in Stock	9,839.00	818,379.00
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Agriculture Bussiness

Variation in Stock	495,591.00	
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Floriculture Bussiness

Variation in Stock	361,347.00	
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	374,013.00	305,599.00
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SIMFED.**SCHEDULE TO ACCOUNTS
Continued....**

	Year ended 31.03.10 (Rs)	Year ended 31.03.09 (Rs)
11. <u>Interest & Other Incomes</u>		
Interest on fixed deposits	4357381	
Interest on savings bank account	331969	7,366,379.00
Miscellaneous Income (Net)	355574.71	502,261.00
Commission Earned	4370281	173,809.00
	1440164	6,634,433.00
	10,855,369.71	14,676,882.00
Consumer Business		
Receivable from Cooperation deptt.		
Bank Interest	6,962,600.00	5,758,989.00
	23,706.00	681.00
TOTAL	6,986,306.00	5,759,670.00
Agriculture		
Subsidy from Govt of Sikkim	74,041.00	
Total	17,915,716.71	20,436,552.00
12. <u>PURCHASES</u>		
Agricultural Implements	34,832,893.00	35,441,931.00
Pesticides	1,307,640.00	16,858,131.00
Seeds & Seedlings	19,730,680.00	22,226,018.00
Miscellaneous Items	75,871,277.00	91,837,389.00
Organic Manure	47,345,732.00	31,738,716.00
Live stock Feeds	5,516,328.00	860,456.00
Uniforms	38,777,207.00	28,707,376.00
Flowers		449,563.00
Cement & Rod	187,816,664.00	214,521,585.00

Vegetables		117,148.00
Seed Potatoes		
Passion Fruit Pulp		284,345.00
Hill Broom		139,860.00
Furniture	26,185,705.00	25,304,788.00
Medicinal Plants	1,193,500.00	
Pulses under MMAPY	6,065,506.00	
	444,643,132.00	468,487,306.00
Less: Trade Margin	9,167,894.00	10,412,748.00
TOTAL	435,475,238.00	458,074,558.00
Consumer Business		
Purchases	50,342,934.00	60,029,176.00
(Including transportation and other expenses)	50,342,934.00	60,029,176.00
Agricultural Business		
Purchases	6,568,065.00	3,431,342.00
(Including transportation and other expenses)	6,568,065.00	3,431,342.00
Floriculture Business		
Purchases	5,379,735.00	3,431,342.00
(Including transportation and other expenses)	5,379,735.00	
TOTAL	497,765,972.00	521,535,076.00

SIMFED.

SCHEDULE TO ACCOUNTS Continued....

	Year ended 31.03.10 (Rs)	Year ended 31.03.09 (Rs)
13. <u>Employees Remuneration & Benefits</u>		
Salary & Allowances	8,444,322.00	8,213,009.00
Interim Relief	825,000.00	640,000.00
Children Education Allowance	15,400.00	
Leave Travel Concession	136,033.00	8,833.00
CPF Federation	36,216.00	169,679.00
Employers Contribution to E.P.F.	3,350.00	
Administrative Charges E.P.F. Employees Deposit Linked Insurance	1,509.00	
Leave Salary Contribution		10,725.00
Pension Contribution		11,700.00
Medical expenses	317,652.00	26,685.00
Medi Claim Insurance	429,731.00	442,628.00
Gratuity	370,796.00	2,814,762.00
Wages	48,360.00	17,800.00
Arrear Salary	4,000,000.00	
TOTAL	14,628,369.00	12,355,821.00
Consumer Business		
Wages & Allowance	946,698.00	112,151.00
TOTAL	15,575,067.00	12,467,972.00

SCHEDULE TO ACCOUNTS Continued....	Year ended 31.03.10 (Rs)	Year ended 31.03.09 (Rs)
14		
<u>ADMINISTRATIVE EXPENSES</u>		
Travelling & Conveyance	275,155.00	65,161.00
Vehicle running & Maintainance	549,218.00	591,229.00
House Rent (Chairman)	12,000.00	
Office Rent	690,150.00	432,000.00
Electricity	36,084.00	47,162.00
Printing & Stationary	184,408.00	363,030.00
Postage, Telegram & Telephone	119,517.00	56,138.00
Insurance Premium	60,840.00	60,103.00
Donation & Subscription	51,000.00	230,000.00
Meeting Expenses	404,700.00	179,050.00
Audit Fees	30,000.00	30,000.00
Books & Periodicals	14,313.00	12,515.00
Consultancy Fees	97,500.00	232,042.00
Co-op. Week Celebration		
Miscellaneous Office Expenses	222,884.00	116,021.00
Repayrs & Maitenance Building	58,112.00	
Office Expenses	2,300.00	166,583.00
Water Supply	28,461.00	910.00
Honorarium	910.00	36,300.00
	<u>18,500.00</u>	
TOTAL	<u>2,856,052.00</u>	<u>2,618,244.00</u>
Consumer Business		
Administrative Expenses	597,405.00	1,103,376.00
Repairs and Maintenance Vehicles	<u>373,174.00</u>	
	<u>970,579.00</u>	<u>1,103,376.00</u>
Floriculture Bussiness		
Misc.Expenses	29,184.00	
HSD / Fuel Expenses	2,660.00	

TOTAL	31,844.00	
TOTAL (A+B)	3,858,475.00	3,721,620.00
15		
<u>Marketing Expenses</u>		
Advertisement	357,117.00	254,815.00
Marketing & Sales Promotion	867,449.00	502,449.00
Godown Rent		130,933.00
Loading & Unloading & Transportation	185,613.00	122,259.00
Expenses for sale of vegetables		25,190.00
Rent Regulatoy Market in Siliguri	49,500.00	56,800.00
Electricity Regulatory Market in Siliguri	1,852.00	1,300.00
Expenses for Passion Fruit		784,720.00
	1,461,531.00	1,878,466.00
Consumer Business	198,469.00	19,090.00
Agricultural Business	43,973.00	
Floriculture Business	425,500.00	
TOTAL	2,129,473.00	1,897,556.00

SCHEDULE TO ACCOUNTS Continued....	Year ended 31.03.10 (Rs)	Year ended 31.03.09 (Rs)
16. <u>Financial Charges</u>		
Bank Charges	74,058.00	3,074.00
Interest on Over Draft	141,185.00	458.00
	215,243.00	3,532.00
Consumer Business		
Bank Charges	167,132.00	15,245.00
Consumer Business		
Bank Charges	356.00	15,245.00
TOTAL	382,731.00	18,777.00

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 & 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 value of liability has been determined by Life Insurance Corporation of India with whom the amount has been deposited. This is under a retirement benefit plan with the 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

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 29425853.00.00 is payable as on 31.03.2010 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

Grant in aid of Rs. 100 Lakhs was received from Government of Sikkim for procurement of Agricultural inputs and sale of the same through its outlets in the State of Sikkim in the year 1995-96. This amount was utilized for the purpose for which it was sent in the earlier years.

5 **Debits & Credit Balances**

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 years' classification.

AGENDA NO. 6 :

To consider and approve the Business Development Plan for 2010-11 with the business budget for the year 2010-2011.

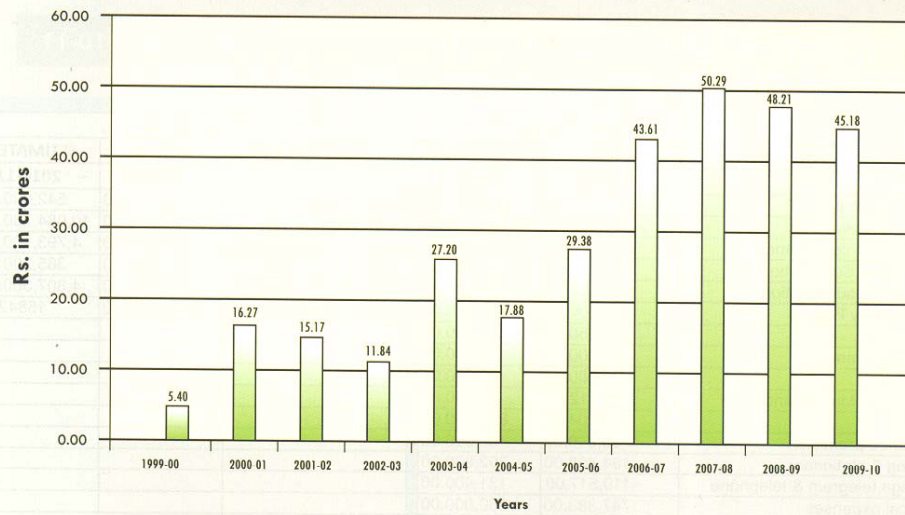
Business Development Plan Budget for the year 2010-11.					
	Actual 2008-09	Actual 2009-10	Increase/ Decrease in %age 2008-09 Vs 2009-10	Estimated 2010- 11	Increase/ Decrease in %age 2009-10 Vs estimated 2010-11
Divisions					
Agricultural Implements	35,452,538.00	34,832,576.00	(1.78)	38,315,833.60	9.09
Pesticides	16,858,131.00	1,307,640.00	(1,189.20)	1,438,404.00	9.09
Seeds & Seedling	22,226,018.00	19,730,680.00	(12.65)	21,703,748.00	9.09
Miscellaneous Items	91,793,981.00	75,859,670.00	(21.00)	83,445,637.00	9.09
Organic Manure	31,738,716.00	47,345,731.00	32.96	52,080,304.10	9.09
Live stock Feeds	1,164,557.00	5,992,154.00	80.57	6,591,369.40	9.09
Uniforms	28,783,056.00	40,373,163.00	28.71	44,410,479.30	9.09
Cement & Rod	228,678,190.00	192,626,510.00	(18.72)	211,889,161.00	9.09
Furniture	25,401,967.00	26,185,720.00	2.99	28,804,292.00	9.09
Flowers	439,607.00				
Vegetable	63,892.00				
Passion Fruit Juice	3,093,280.00				
Passion Fruit Pulp	240,000.00				
Hill Broom	111,528.00				
Medicinal Plants		1,457,500.00		1,603,250.00	
Pulses under MMAPY		6,065,508.00		6,672,058.80	
Consumer Business	54,700,989.00	45,649,345.00	(19.83)	50,214,279.50	9.09
Agricultural Business	3,455,773.00	6,055,290.00	42.93	6,660,819.00	9.09
Floriculture Business	-	5,338,740.20			
TOTAL	544,202,223.00	508,820,227.20		553,829,635.7	8.13

<u>Business development plan</u>		
CONSUMER DIVISION		
		Rs. In Lakhs
1	Proposed business Target	700.00
2	Business Expansion plan	
	a. Opening of out-let at Gyalshing	10.00
	b. opening of outlet at Singtam	10.00
		20.00
3	Other Expenditure (tentative)	
	• Hiring manpower	5.00
	• Training/ meeting etc	2.00
	• Book-keeping &accounting Charges	2.00
	• Transpotatation charges	30.00
	• Fuel -charges for society	10.00
	• Miscellaneous and incidental expenses	2.00
		51.00
4	Total target of wholesale business for societies (As per scheme of Cooperation Department.)	500.00
5	Total target of retail Business	200.00
6	Estimated profit on retail business (10% appx.)	20.00

Agenda 7 : To consider & approve the Income & Expenditure Budget of the Federation for the year 2010-2011

INCOME AND EXPENDITURE BUDGET ESTIMATES FOR THE YEAR 2010-11					
	E X P E N D I T U R E			I N C O M E	
PARTICULARS	ACTUAL	ESTIMATE		PARTICULARS	ESTIMATE
	2009-10	2010-11		2009-10	2010-11
Advertisement	357,117.00	392,800.00		Misc Income	542,000.00
Salary & allowances	9,333,082.00	10,264,700.00		Trade Margin	10,084,700.00
Travelling & conveyance	275,155.00	302,700.00		Interest on fix deposit	4,793,100.00
Employees Contribution	172,249.00	480,000.00		Interest on saving a/c	365,200.00
Donation & subscription	51,000.00	56,100.00		Simfed Adm Charges	4,807,300.00
Consultancy Fees	97,500.00	107,200.00		Cement Handling	1584200
Office rent	739,650.00	813,600.00			
Rent (chairman)	12,000.00	75,600.00			
Audit fees	30,000.00	30,000.00			
Repair and Maintenance	58,112.00	63,900.00			
Gratuity	747,304.00	822,000.00			
Insurance premium	60,840.00	66,900.00			
Printing & stationary	184,408.00	202,800.00			
Postage,telegram & telephone	119,517.00	131,400.00			
Medical expenses	747,383.00	350,000.00			
Meeting expenses	404,700.00	445,170.00			
Misc.Office expenses	222,885.00	245,200.00			
Vehicle running & maintenance	549,218.00	604,100.00			
Marketing & sales promotion	867,449.00	500,000.00			
Books & periodicals	14,313.00	15,700.00			
Electricity	37,936.00	41,700.00			
Honorarium	18,500.00	20,300.00			
Water supply	910	1,000.00			
Office Expenses	30,961.00	33,800.00			
Depreciation	828381	911,200.00			
Interest on OD	141,185.00	155,300.00			
Bank charges	74,058.00	81,400.00			
Handling and other expenses	18,500.00	20,300.00			
Deposit Link Insurance Scheme	1,509.00	20,000.00			
Transportation Charges	185613	204,200.00			
Administrative Charges	3350	45,000.00			
TOTAL	16,384,785.00	17,504,070.00		20,160,444.00	22,176,500.00

Chart showing the turnover of SIMFED during the last eleven years



Profit of SIMFED during the last Six years

