

M I F C O

TWENTY FIRST ANNUAL REPORT (01.04.2010 - 31.03.2011)

**Mizoram Food & Allied Industries Corporation Ltd
(A Government of Mizoram Undertaking)
Aizawl : Mizoram**

21ST ANNUAL REPORT OF MIFCO

(01.04.2010 - 31.03.2011)

01. INTRODUCTION :

The year 2010-11 has been the most critical period of MIFCO's history since its inception, mainly owing to the extreme financial constraint resulting to non-payment of salaries of employees for 7(seven) consecutive months from March-September, 2010. Even the morale of the employees has been at its lowest ebb with the Mass Casual Leave of 3(three) days being resorted to by the employees. Despite all out efforts of the management of MIFCO for allocation of grant-in-aid for salaries of the employees the attitude of the Nodal Department has been rather insensitive to the plight of MIFCO's employees thereby resulting to such an extreme and unpleasant incident. However, with the intervention of the Hon'ble Chief Minister, Mizoram and Vice-Chairman, Mizoram State Planning Board a special allocation of fund was provided from the Annual Plan of Industries Department, salaries of the employees for the consecutive 7(seven) months were disbursed in October, 2011.

The prevailing financial constraint has had an adverse affect on the production activities of MIFCO as well thereby resulting to a slump in sales over the previous year's. However, there has been a silver lining in the activities of MIFCO even as the trial-run of plants & machineries of Fruit Juice Concentrate Plant, Chhingchhip was undertaken by representatives of M/s Pennwalt Bertuzzi and MIFCO successfully in mid-December, 2010. Meanwhile implementation of Food Park, Chhingchhip has been undertaken by fits and starts.

Over and above, there has been a remarkable progress in finalisation of the accounts of MIFCO which have become almost up-to-date. This was mainly due to the sincere efforts of the concerned officials of the Corporation, the cooperation of the Statutory Auditors and the officers of A.G.(Audit), Mizoram.

02. FINANCIAL STATUS :

Details of Grant-in-Aid received from Government of Mizoram and Government of India during the year 2010-2011

SL. No.	PURPOSE OF SANCTION	SANCTION NO	SOURCE	DATE	AMOUNT
1.	Salaries of Employees	No.G.20018/7/09-FBT	G.O.M	10.09.2010	160.00
2.	Salaries of Employees	No.B.12013/3/96-IND	G.O.M	15.11.2010	60.00
3.	Strengthening of SNA	No.9-8/SNA/PC/2007	G.O.I	29.03.2010	7.05
Total					227.00

03. FINANCE AND ACCOUNTS :

- (1) The 30th-33rd AGMs of MIFCO approved of the accounts of MIFCO as on 31.03.2007, 31.03.2008, 31.03.2009 and 31.03.2010.

04. A. BOARD OF DIRECTORS :

The Board of Directors of MIFCO has been reconstituted vide No.B.16018/8/92-IND.dt. 3.01.2009

- | | | | |
|-----|--|---|------------------------|
| 1. | Pu C.Lalruata,
Ramhlun South, Aizawl. | - | Chairman |
| 2. | Principal Secretary to
the Government of Mizoram, Finance Dept. | - | Director |
| 3. | Secretary to the Govt. of Mizoram,
Industries Department. | - | Director |
| 4. | Principal Chief Conservator of Forest,
Government of Mizoram. | - | Director |
| 5. | Director of Industries,
Government of Mizoram. | - | Director |
| 6. | Director of Horticulture,
Government of Mizoram. | - | Director |
| 7. | Representative from the Govt. of India,
Ministry of Food Processing Industries,
New Delhi. | - | Director |
| 8. | Pu Robuanga,
Lunglei | - | Director |
| 9. | Pu Ngurzidinga Sailo
Chaltlang, Aizawl. | - | Director |
| 10. | Pu R. Liantluanga,
Bungkawn, Aizawl. | - | Director |
| 11. | Representative from
Mizoram Industries Association | - | Director |
| 12. | Pu Lalzarliana Renthlei,
Managing Director, MIFCO. | - | Director/
Secretary |

B. BOARD OF DIRECTORS' MEETINGS :

(a) During this period, 3(three) meetings of the Board of Directors of MIFCO were held on the following dates :

- (1) 21.07.2010
- (2) 17.09.2010
- (3) 13.01.2011

(b) **The important resolutions of these meetings are as follows :-**

- (i) Enhancement of the authorised share capital of MIFCO from Rs. 20 crores to Rs. 50 crores
- (ii) Adoption of the Balance Sheets and Profit & Loss accounts of MIFCO for the years ended 31.03.2009 and 31.03.2010
- (iii) Adoption and application of the Mizoram (Revision of Pay) Rules 2010 for MIFCO's employees
- (iv) MIFCO's future plan- a separate Directorate of Food Processing Industries to look after MIFCO of smaller size
- (v) Allocation of Grant-In-Aid form Rs. 50 lakhs for MIFCO
- (vi) Adoption of the Voluntary Retirement Scheme - 2010 of MIFCO
- (vii) Trial-running/commissioning of plants & machineries of Fruit Juice Concentrate Plant, Chhingchhip(Upgradation/expansion)
- (viii) Salaries of employees of MIFCO for the last quarter financial year 2010-2011

C. ANNUAL GENERAL MEETING :

The 30th Annual General Meeting was held on 21 July, 2010 (Wednesday) at 1400 wherein the Balance Sheet and Profit and Loss Statement of MIFCO for the year ended 31st March, 2007 as prepared and certified by the Statutory Auditors and the comments of the CAG were adopted.

The 31st Annual General Meeting was held on 9 Mach, 2011 (Wednesday) at 1300 wherein the Balance Sheet and Profit and Loss Statement of MIFCO for the year ended 31st March, 2008 as prepared and certified by the Statutory Auditors and the comments of the CAG were adopted.

The 32nd Annual General Meeting was held on 9 Mach, 2011 (Wednesday) at 1400 wherein the Balance Sheet and Profit and Loss Statement of MIFCO for the year ended 31st March, 2009 as prepared and certified by the Statutory Auditors and the comments of the CAG were adopted.

The 33rd Annual General Meeting was held on 9 Mach, 2011 (Wednesday) at 1500 wherein the Balance Sheet and Profit and Loss Statement of MIFCO for the year ended 31st March,

2010 as prepared and certified by the Statutory Auditors and the comments of the CAG were adopted.

05. REGISTERED HEAD OFFICE :

(a) ADMINISTRATION AND PERSONNEL :

The position of Officers and Staff of MIFCO as on 31st March, 2011 is as shown below:

Group 'A'	Group 'B'	Group 'C'	Group 'D'	Total
18 7	45	20	90	

(ii) POSTING AND TRANSFER :

(Vide No.A.22011/1/2000-MIFCO, dt. 8.3.2010)

Sl. No.	Name & Designation	From	To
01.	Pu Ngurthansanga Sailo	H.O	FJCP, Chhingchhip

(iv) MOTOR VEHICLES :

The position of motor vehicles of MIFCO as on 31.03.2008 is as follows :

Sl.No.	TYPE	REGD. NO.	ALLOTMENT
01.	Bolero	MZ-01/D-1922	Chairman
02.	Car	MZ-01/E-1457	Managing Director

06. PRODUCTION UNITS :

(1) PORK & POULTRY PROCESSING PLANT, ZEMABAWK :

This Plant has been engaged in production activities of Pork products mainly for the local market at Aizawl and Lunglei. Production Report during the year 2010-2011 as follows :-

Sl.No.	Name of Products	Total (In kg)	Rate per kg	Amount (^ in lakhs)
01.	Smoked Pork	3937	^180.00	7.09
02.	Sausage	59	^ 450.00	0.27
03.	Ham	52	^450.00	0.23
04.	Offal	388	^160.00	0.62
05.	Head	460	^140.00	0.64
06.	Leg	236	^140.00	0.33
07.	Lard (Hlap)	228	^120.00	0.27
Total				9.45

2) **FOOD PROCESSING PLANT, SAIRANG(UPGRADATION/EXPANSION):**

This Plant has been engaged in production activities of squashes/RTS of passion fruit, pineapple and orange. The Production Report during 2010-2011 is as follows :-

Sl. No	Products	Quantity (in bottles)	Rate (per btl)	Amount (^ in lakhs)
01.	Passion Squash	10,622	40.00	4.25
02.	RTS Passsion	3,891	10.00	0.39
03.	Pineapple Squash	10,044	30.00	3.01
04.	Orange Squash	5,145	40.00	2.06
Total		29,702		9.71

7. **PROJECTS :**

(1) **FRUIT JUICE CONCENTRATE PLANT, CHHINGCHHIP(UPGRADATION/EXPANSION):**

Implementation of this Project has reached its final stage even as trial running of plants and machineries was undertaken in mid-December, 2010 successfully. However, the availability of passion fruit for processing is far from adequate despite the efforts of the Horticulture Department under Technology Mission- MM-II.

Meanwhile, this Project has been engaged in processing of passion fruit, pineapple, baibing and bamboo shoots mainly for the local market.

The Production Report of the Plant during 2010-2011 is as follows :-

Raw Materials				Product			
Sl. No.	Items	Quantity (MT/Btl)	Rate (Per Unit)	Value in (^ in lakh)	Quantity (Btl/Can/kg/ltr)	Rate (Per Unit)	Value (^ in lakh)
01.	Passion	34.44	10,000/-	3.44	(i) Juice=5,220 (ii) Conc=555	54/-	2.82
02.	Pineapple	9.68	4,000/-	0.39	3720	16/-	0.60
03.	Baibing	2.21	25,000/-	0.55	3,578	70/-	2.50
04.	Bamboo Shoots	5.10	10,000/-	0.51	5,439	60/-	3.26
05.	Pineapple Squash	880	16/-	0.14	3,232btl	30/-	1.29
06.	Orange Squash	400	54/-	0.22	1323btl	40/-	0.53
07.	Passion Squash	1200	54/-	0.65	4745btl	40/-	1.90
08.	Passion RTS	20	54/-	0.01	486btl	8/-	0.039
Total							12.94

(2) FOOD PARK, CHHINGCHHIP :

Implementation of this Project has been undertaken by fits and starts even as the turn-key contractor viz. RAC Global Ltd, Gurgaon has stationed its technical staff at the Project site for carrying out the finishing touch of Cold Storage. The present status of this Project is as follows :-

<u>Sl.No</u>	<u>Particulars</u>	<u>Status of implementation</u>
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01.	Land Development	Completed
02.	Provision of water	Completed
03.	Provision of Power & Electricity	Completed
04.	Civil Constructions	Completed
05.	Cold Storage	90% of the works completed
06.	Warehouse	Completed
07.	Electronic Weigh Bridge	Completed
08.	Quality Control Laboratory	Building-completed Equipment- underway
09	Effluent Treatment & Disposal System	Provided
10.	Allotment of Plots	6 Nos allotted

08. MARKETING :

Apart from 30,000 litres of sulphited passion fruit juice sold to M/s SHOP, Marketing of MIFCO products has been confined to the local market.

The sales of MIFCO products for the year are as shown below :-

Sl. No.	Items	Quantity	Amount (In Rupees)
1	Pineapple Squash	10,687.50	324,551.50
2	Passion Fruit Squash	13,642.00	551,272.00
3	Orange Squash	5,821.50	233,573.00
4	Baibing AIT	3,157.00	203,710.00
5	Bamboo Shoots AIT	4,347.00	240,850.00
6	Passion Fruit (RTS)	4,284.00	36,698.00
7	Bottle cap	450.00	450.00
8	Empty Bottle with cap	1,642.00	9,423.00
9	Pineapple (RTS)	5.00	5.00
10	Passion Fruit Juice	2,058.04	368,150.00
11	Pineapple Titbits	88.00	3,980.00
12	KMS	1.00	250.00
13	Smoked Pork	5,250.50	848,010.00

14	Offal	1,624.00	64,590.00
15	Leg	199.00	27,920.00
16	Head	446.50	63,300.00
17	Ham	476.00	30,395.00
18	Sausage	499.00	30,455.00
19	Fat	232.50	23,350.00
Grand Total			3,060,932.50

09. CONCLUSION :

Regardless of the extreme financial constraint resulting to non-payment of salaries to the employees for 7 consecutive months, the management of MIFCO has put up a brave front to cope with the prevailing adverse circumstances. So much so, implementation of the 2 (two) on-going projects viz. Fruit Juice Concentrate Plant, Chhingchhip (Upgradation) and Food Park, Chhingchhip has been undertaken, and trial run of the plants and machineries of Fruit Juice Concentrate Plant, Chhingchhip was carried out successfully in mid-December, 2010 paving the way for commissioning of the Project in the ensuing production season of passion fruit. As for Food Park, Chhingchhip the technical staff of M/s RAC Global Ltd. Gurgoan has been stationed at the Project site for the finishing touch of the Project. However, non-payment of salaries for such an unprecedented period of time could not but affect the morale of the employees during the past year. Once the financial problem is tided over, the Corporation may embark upon a positive future even as the promotion of food processing industries is inevitable in the economy of the state.

MIZORAM FOOD & ALLIED INDUSTRIES CORPORATION LIMITED
(A Government of Mizoram Undertaking)
Aizawl : Mizoram

BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	SCHEDULE	AS AT 31.03.2011	AS AT 31.03.2010
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	NO.	AMOUNT (Rs.)	AMOUNT (Rs.)
<u>1. SOURCES OF FUNDS :</u>			
<u>1. Shareholders Funds</u>			
(a) Share Capital	A	199,999,900.00	199,999,900.00
(b) Reserve & Surplus	B	200,485,924.00	200,485,924.00
Total Sources of Fund		400,485,824.00	400,485,824.00
<u>2. Secured Loan</u> (Secured against Stock and is in the name of Employee		509,377.00	503,003.00
<u>3. Unsecured Loan</u> (SBI Kishan Cash Credit)		3,104,533.93	2,721,611.93
Total Sources of funds		404,099,734.93	403,710,438.93
<u>2. APPLICATION OF FUNDS :</u>			
1. Fixed Assets			
(a) Gross Block	C	114,906,269.05	114,081,603.05
(b) Less : Depreciation		40,907,540.64	36,210,393.40
Net Block		73,998,728.41	77,871,209.65
© Capital Work in-progress	D	75,262,413.00	70,415,649.00
(d) Pre-operative Expenses	E	51,934,440.37	48,756,940.37
		201,195,581.78	197,043,799.02
<u>2. Investments</u>	F	3,935.00	3,678.00
<u>3. Current Assets, Loans & Advances</u>			
(a) Inventories	G	2,560,912.60	5,017,317.02
(b) Sundry Debtors	H	328,124.00	328,124.00
© Cash & Bank Balance	I	464,899.05	7,213,398.05

(d) Other Current Assets	J	262,292.00	262,292.00
(e) Loans and Advances	k	17,726,356.92	19,478,194.92
		21,342,584.57	32,299,325.99
4. Less : Current Liabilities & Provisions :			
Current Liabilities	L	7,917,823.00	8,978,161.00
Net Current Assets		13,424,761.57	23,321,164.99
Miscellaneous Expenditure			
Profit and Loss A/C		189,475,456.58	183,341,796.92
Total Application of Fund		404,099,734.93	403,710,438.93

Significant Accounting Policies

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Notes on Accounts

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In terms of our report of even date
For Samanta & Co.

Chartered Accountants

Date:

(S.SAMANTA)

Place: Aizawl

Partner

Membership No. 007200

MIZORAM FOOD & ALLIED INDUSTRIES CORPORATION LIMITED

(A Government of Mizoram Undertaking)

Aizawl : Mizoram

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

PARTICULARS	SCHEDULE NO.	As on 31.03.2011 AMOUNT (Rs.)	AS AT 31.03.2010 AMOUNT (Rs.)
1. INCOME :			
Sales	M	3,254,920.00	5,057,377.00

Other Income	N	27,282,743.00	9,608,684.81
Increase/Decrease in stock of finished goods	O	(2,399,073.23)	(1,309,197.78)
Total		28,138,589.77	13,356,864.03
2. EXPENDITURE :			
Raw materials	P	1,822,816.83	6,849,037.12
Manufacturing & other expenses	Q	27,752,285.36	18,349,865.37
Depreciation	C	4,697,147.24	4,640,356.45
Total		34,272,249.43	29,839,258.94
Profit/(Loss) before tax		(6,133,659.66)	(16,482,394.91)
Add : Profit/(Loss) Forward from Previous year		(183,341,796.92)	(166,859,402.01)
Loss carried over to Balance Sheet		(189,475,456.58)	(183,341,796.92)

Significant Accounting Policies

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Notes on Accounts

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In terms of our report of even date
For **S.SAMANTA & CO.**
Chartered Accountants

Date:

(S.SAMANTA)

Place: Aizawl

Partner

Membership No. 007200