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ANNUAL REPORT

1998-99

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MOUNT EVEREST MINERAL WATER LTD.

Mount Everest Mineral Water Limited

MOUNT EVEREST MINERAL WATER LIMITED

BOARD OF DIRECTORS

Dr. DADI BALSARA
Chairman & Managing Director

Mrs. CHRISTINA BALSARA

Mr. MILAN SHARMA

COMPANY SECRETARY

Mr. Rajesh K. Ranga

AUDITORS

Prakash K. Prakash
Chartered Accountants

REGISTERED OFFICE & WORKS

Vill. Dhaula Kuan, Dist. Sirmour (H.P)

BANKERS

Bank of India
The Hongkong and Shanghai Banking Corporation Ltd.
State Bank of India

Mount Everest Mineral Water Limited**NOTICE**

Notice is hereby given that the 8th Annual General Meeting of the members of Mount Everest Mineral Water Ltd. will be held on November 16 1999 at 9.30 A.M. at Company's Registered Office at Vill. Dhaula Kuan, Distt. Sirmour, H.P. to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider & adopt the audited Balance Sheet as on 31.3.99 and Profit and Loss Account for the year ended on that date and report of the Board of Directors and Auditors' thereon.
2. To appoint a Director in place of Mrs. Christina Balsara, who retires by rotation and being eligible offers herself for reappointment.
3. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass the following resolution with or without modification(s), as an ordinary resolution.

"Resolved that Mr. Milan Sharma who was appointed as an Additional Director w.e.f. 1st December, 1998 and also Wholetime Director of the Company on 1st January 1999 and whose term expires u/s 260 of the Companies Act, 1956 at this Annual General Meeting and in respect of whom the company has received a notice from a member u/s 257 of the Companies Act, 1956 proposing his candidature for the office of Director, together with Rs. 500 as deposit, be and is hereby appointed as a Director of the Company liable to retire by rotation."

"Resolved further, that the appointment of Mr. Milan Sharma as Whole-time Director of the Company w.e.f. 1st January, 1999 and payment of remuneration to him as detailed below for this period be and hereby approved in terms of Section 198/269/309 and other applicable provisions of the Companies Act, 1956.

(i) Salary : Rs. 5,275/- per month.

(ii) HRA : Rs. 2,110/- per month

(iii) Perquisites in accordance with and within the limits prescribed in the Section I or Section II whichever is applicable, of Part II of schedule XIII of the Companies Act, 1956. Perquisites including HRA however, restricted to an amount equal to the Annual salary, but not more than the allowable limits prescribed in Schedule XIII.

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member of the Company. Proxies, in

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order to be effective must be received at the registered office of the company not less than forty eight hours before commencement of the Annual General Meeting.

2. The Explanatory Statement relating to the Special Business set out in the notice is annexed hereto, pursuant to section 173(2) of the Companies Act, 1956.
3. Proxy Form and Attendance Slip are enclosed.

By Order of the Board of Directors

For Mount Everest Mineral Water Ltd.

Place: New Delhi

R.K. Ranga

Date : September 4, 1999

Company Secretary

ANNEXURE TO NOTICE

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2)
OF THE COMPANIES ACT, 1956**

ITEM NO. 4 :

Mr. Milan Sharma was appointed by the Board of Directors of the Company as Additional Director and also as Whole-time Director pursuant to the relevant provisions of the Companies Act 1956 w.e.f from 1st January 1999. As a Whole-time Director he is entitled to the remuneration as approved by the Board of Directors in pursuant to Section 198, 269 & 309 of the Companies Act, 1956 read with Schedule XIII thereto. The Board of Directors commends the appointment of Mr. Milan Sharma as Wholetime Director.

None of the Directors of the company is concerned or interested in the resolution except Mr. Milan Sharma himself.

Place : New Delhi

Date : September 4, 1999

BY ORDER OF THE BOARD OF DIRECTORS
for MOUNT EVEREST MINERAL WATER LTD.

R.K.Ranga
Comapny Secretary

Mount Everest Mineral Water Limited

DIRECTORS' REPORT

Your Directors have pleasure in placing before you the Annual Report and Accounts for the year ended on 31st March, 1999.

OPERATIONS

The financial results for the year ended on 31st March 1999, the first year of commercial production are as below:-

	(Rs. in lacs)
Turnover	111.00
Gross Loss (after interest but before Dep.)	321.07
Depreciation	73.52
Net Loss carried to Balance Sheet	394.59

PROJECTION V/S PERFORMANCE

Projection V/s Performance for the year ended on 31st March, 1999 as per Clause 43 of the listing agreement are furnished hereunder:-

	Projections (as per prospectus dtd. 30.5.95) (Rs. in lacs)	(Rs. in Lakhs) Performance
Gross Revenue	3291.56	117.00
Profit/ (Loss) before depreciation & tax	1020.75	(321.07)
Profit/(Loss) before tax	769.61	(394.59)
Profit/(Loss) after tax	769.61	(394.59)
Equity Share Capital	1667.00	1667.00
Reserve & Surplus	893.72	Nil
Dividend	20%	Nil

The variance between projected & actual is due to overall acute financial recession in the industry all over India and South East Asia. The mineral water segment in India is largely dominated by bottled water industry and therefore the company, in order to make a break through, has to educate the masses about the difference between bottled water and natural mineral water, which is a time consuming process.

CURRENT YEAR PERFORMANCE

Current financial year of the company appears to be promising and it is expected that by 31st March 2000 there will be a turnaround in the performance of the company. The company continues to supply its products to all Five Star Deluxe hotels and other prestigious institutions, embassies

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and airlines. Further, it has already started exporting its product and the first consignment has already reached U.S.A. Your directors are pleased to inform you that the company's product "HIMALAYAN" Natural Mineral Water has been well accepted by the departments/ authorities and the general public there. Further, the agreement with Marsh Super Market, U.S.A. has already been finalised and same is likely to be executed during Dr. Dadi Balsara's visit to U.S.A. scheduled for September/October 1999. Negotiations have been finalised with NANZ Food Products, subsidiary of Goetze (India) Ltd. for exporting the company's products to various countries other than U.S.A. The agreements to this effect are likely to be executed very shortly. Further, with Indian Railway Authorities determination to eliminate the supply of bottled water to the passengers and substitute the same with Natural Mineral Water, your company has fair chance to capture the market segment of Railways. Based on these, your Directors are of the firm opinion that there will be a turn around in the performance of the company during the current financial year.

YEAR 2000 ISSUE (Y2K)

Your Directors wish to inform you that your company has taken appropriate steps to overcome the Y2K effects.

PARTICULARS OF EMPLOYEES

Information required under section 217 (2A) of the Companies Act, 1956 read with companies (particulars of employees) Rule 1975 forming part of this report is Nil.

PUBLIC DEPOSITS

The company has not accepted any public deposits during the year.

DIRECTORS

In accordance with the provisions of Companies Act, 1956 and the Articles of Association of the Company Mrs. Christina Balsara retires by rotation at this Annual General Meeting and offers herself for re-election as Director of the Company.

Mr. Atanu Dey served the company as Wholetime Director for the period from 1st June 98 to 6th April, 1999. Mr. Milan Sharma was appointed as Additional Director w.e.f. 1st December, 1998. and was appointed as Wholetime Director w.e.f. 1st January, 1999. The Company has received notice from a shareholder proposing the candidature for the office of Director in respect of Mr. Milan Sharma.

AUDITORS

The Auditors M/s Prakash K Prakash, Chartered Accountants retire and are eligible for re-appointment. The observations of the Auditors are self explanatory and do not require any explanations.

THE COMPANY'S (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988

In accordance with the requirement of the above Rules, the particulars in respect of Conservation of energy, research and development, technology absorption and foreign exchange earnings and outgo have been given in Annexure I forming part of this report.

LISTING OF SHARES

The companies shares are listed in Delhi, Bombay, Calcutta, Ludhiana and Ahmedabad Stock Exchanges. The Company is regular in paying listing fees. No delisting has taken place except