

For Mount Everest Mineral Water

Company Secretary

ANNUAL REPORT

1999-2000

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 & GM Corporate

Mr. Rajesh K. Ranga

Statutory Auditors

K.N. Gutgutia & Co.
Chartered Accountants

Registered Office & works

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

Bankers

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

Registrar & Share Transfer Agent

RCMC Share Registry Pvt. Ltd.
1515 Bhishm Pitamah Marg,
Kotla Mubarakpur, (Near South Extn.)
New Delhi - 110049

NOTICE

Notice is hereby given that the 9th Annual General Meeting of the members of Mount Everest Mineral Water Ltd. will be held on August 31, 2000 at 9.30 AM at Company's Registered Office at Vill. Dhaulta Kuan, Distt. Sirmour, H.P. to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider & adopt the audited Balance Sheet as at 31.3.2000 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 Mr. Milan Sharma, who retires by rotation and being eligible offers himself 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 with or without modification(s) the following resolution as a SPECIAL RESOLUTION:

"RESOLVED that pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the Company be altered in the following manner;

The following new Article 14A be inserted after the existing Article 14.

14A DEMATERIALISATION OF SECURITIES

(a) Definitions

For the purpose of this Article;

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository.

SEBI means the Securities & Exchange Board of India.

'Depository' means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1962 and

'Security' means such security as may be specified by SEBI from time to time.

(b) Dematerialisation of Securities

Notwithstanding anything contained in these Articles, the company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the provisions of the Companies Act, 1956 or any amendments thereof.

(c) Issue of Securities and option for investors

Notwithstanding anything contained in these Articles the company shall be entitled to dematerialise its securities under the Depositories Act and offer and issue its securities in the dematerialised form and the Company shall intimate the 'details of allotment to the depository immediately on allotment of such securities.

Investors in a new issue and the beneficial owners shall have the option to dematerialise the shares subsequent to the allotment or dematerialisation, as the case may be, in which event the Company shall issue to the investor/beneficiary the required certificates of securities subject to the provisions of applicable laws, rules, regulations or guidelines.

(d) Securities in depository mode to be in fungible form

All securities held in the depository mode with a depository shall be dematerialised and be in fungible form. To such securities held by a depository on behalf of the beneficial owner, nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply.

(e) Rights of depositories and beneficial Owners

(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

(ii) Save as otherwise provided in (a) above, the depository as the registered owner of securities shall not have any voting or other rights in respect of the securities held by it,

(iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the register maintained by the depository shall be deemed to be a member of the company. The beneficial owner of securities shall not be entitled to all the rights and benefits and be subject to all liabilities in

Mount Everest Mineral Water Limited

respect of the securities held by the depository.

(f) Service of documents

Notwithstanding anything to the contrary in the Act or these Articles, where securities are held in a depository mode, the records of the beneficial owner may be served by a depository on the Company by means of electronic mode or by delivery of floppies or discs.

(g) Transfer of securities

Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered in the Register maintained under the Depositories Act by a depository as beneficial owners.

(h) Distinctive numbers of Securities held in the depository mode

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held in the depository mode.

(i) Register and index of Beneficial Owners

The Register and index of beneficial owners maintained by a depository under the Depositories Act 1956 shall be deemed to be Register and index of Members and holders of securities for the purpose of these Articles and the Act.

5. To consider and if thought fit to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION;

'RESOLVED' that the Board of Directors of the Company be and is hereby authorised to donate or contribute to Charitable Institutions or to Charitable concerns any sum not exceeding Rs. 5 lacs in a financial year notwithstanding the same is not within the limit fixed by the Companies Act, 1956.

6. To consider and if thought fit to pass with or without modification(s) the following resolution as a ORDINARY RESOLUTION:

'RESOLVED that Mr. Milan Sharma, appointed as Wholetime Director, liable to retire by rotation in the Annual General Meeting held on November 1999 be and is hereby reappointed as Wholetime Director liable to retire by rotation.

'RESOLVED' further that the reappointment of Mr. Milan Sharma as Wholetime Director of the company and payment of remuneration to him for this period be and hereby approved in terms of Section 198/269/309 and other applicable provisions of the Companies Act, 1956 at the following remuneration:-

i) Salary : Presently fixed at Rs. 6,500/- with revision of salary within the pay scale of Rs. 5275-10750

ii) HRA : 50% of Basic Salary

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, shall be restricted to an amount equal to the Annual Salary, but not more than the allowable limits prescribed in Schedule XIII.

Further Resolved that an increase of Rs.1,225/- in the basic salary with corresponding increase in HRA, Provident Fund and other perquisites paid to Mr. Milan Sharma w.e.f. 1st April 2000 be and are hereby ratified.

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 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. The Register of Members and Share Transfer Book of the company will remain closed from 28.08.2000 to 31.08.2000 (both days inclusive).
4. Proxy Form and Attendance Slip are enclosed.

BY ORDER OF THE BOARD OF DIRECTORS

Place : New Delhi
Date : June 29,2000

R.K.Ranga
Company Secretary

ANNEXURE TO NOTICE

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

ITEM NO. 4 :

Company's equity shares are being dematerialised w.e.f. 25.09.2000 as advised by Securities & Exchange Board of India (SEBI). The Company is going to enter into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable shareholders who may wish to dematerialise their shareholding in the company. As per provisions of the Depositories Act 1996 and that of Depository System, the provisions of the Companies Act, 1956, relating to issue, holding, transfer, transmission of shares and other securities have been amended to facilitate the Depository System. With this view, it is proposed to amend the Company's Articles of Association, suitable, as set out in the Resolution at item No. 4. The Directors recommend the resolution for the approval of the shareholders. No Director of the Company is concerned or interested in the said resolution except to the extent of his shareholding.

ITEM NO. 5

In order to fulfill its obligations towards the society, the company has to pay Charity/Donation/Contribution on some occasions. Section 293(1)(e) of the Companies Act, 1956, requires that the company has to seek approval of the shareholders in case the donation or contribution exceeds 5% of its average net profit as determined under section 349, 350 of the Companies Act, 1956, during the three financial year immediately preceding the year in which donation was given or Rs. 50000/- whichever is more.

The Directors recommend the adoption of the Resolution. None of the Directors of the Company is concerned or interested in the said resolution.

ITEM NO. 6:

Mr. Milan Sharma was appointed by the Board of Directors of the company as Additional Director and also as Wholetime Director liable to retire by rotation. As Wholetime 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 terms of appointment and remuneration of Mr. Milan Sharma has to be fixed by Board of Directors on the basis of approval given by shareholders. Hence the resolution is being forwarded to the shareholders for their approval. The Board of Directors commends the appointment of Mr. Milan Sharma as Wholetime Director.

In view of increase in cost of living and to offset part of the inflation as prevailing in the country, an amount of Rs.1,225/- was increased in the basic salary of Mr. Milan Sharma w.e.f. 1st April 2000 with corresponding increase in HRA, Provident Fund and other perquisites. The shareholders in the last meeting had approved the basic salary of Rs. 5,275/- only. The increase in the salary is therefore being placed before the shareholders for ratification.

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

Place : New Delhi

Date : June 29, 2000

for MOUNT EVEREST MINERAL WATER LTD.

R.K.Ranga
Company Secretary

Mount Everest Mineral Water Limited

DIRECTORS' REPORT**TO THE MEMBERS**

Your Directors have pleasure in placing before you the Annual Report and Accounts for the year ended on 31st March, 2000.

OPERATIONS

The financial results for the year ended on 31st March 2000, are as below:-

		(Rs. in lacs)
Turnover	:	260.70
Gross Loss (after interest but before Dep.)	:	239.11
Depreciation	:	79.76
Net Loss for the year	:	318.87
Add Loss brought forward	:	394.59
Net Loss carry forward	:	713.46

Though the turnover of the company has more than doubled as compared to the previous year's figure of Rs. 129 lacs yet the company has not been able to make any major breakthrough in the domestic market and the performance has been far below the expectations. The company, despite its best efforts has not been able to educate the masses about the differences between bottled water and natural mineral water resulting into a low figure of sales turnover.

DIVIDEND

In view of the mounting losses your directors regret their inability to pay any dividend.

CURRENT YEAR PERFORMANCE

Your Directors are hopeful that the current financial year would see substantial improvement in the turnover of the company. The acceptance of the company's product in the domestic market is comparatively low and the company is now focussing largely on the export markets. The exports to U.S.A. and Japan have already taken place and the same for the countries like Taiwan & Korea is likely to commence shortly. Your Directors are hopeful that the wide contacts of Dr. Dadi Balsara in the international business circle, would help the company in making major breakthrough in the export markets.

YEAR 2000 ISSUE (Y2K)

The company has not faced any problem on the Y2K issue.

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 Mr. Milan Sharma retires by rotation at this Annual General Meeting and offers himself for re-election as Director of the Company.

CORPORATE GOVERNANCE

The company is required to comply with Clause 48 of the listing agreement w.e.f. next financial year. Effective efforts are being made to widen the Board of Directors and form committees like Audit Committee, Remuneration to Directors Committee and other related committees. A report on corporate governance together with management discussions and Analysis report (MDAR) shall form part of Annual Report from next financial year, which would touch upon the subjects relating to the company's philosophy of code of governance, composition of board of directors etc. as required by SEBI.