

NOTICE

Notice is hereby given that the 16th Annual General Meeting of the members of Mount Everest Mineral Water Ltd. will be held on Tuesday 21st August 2007 at 9.00 AM at Village Dhaula Kuan, Distt. Sirmour, H.P. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2007 and Profit & Loss Account for the year ended on that date and Reports of the Board of Directors and Auditors' thereon.
2. To appoint a Director in place of Mr.Raj K Vaisoha, 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. The retiring Auditors M/s K.N.Gutgutia & Co., Chartered Accountants are eligible for reappointment.

SPECIAL BUSINESS

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

“Resolved that in terms of section 314 (1-B) and other applicable provisions of Companies Act, 1956 and further subject to approval of any other authority as and when required, approval of the shareholders of the company be and is hereby accorded to the Board of Directors for appointment of Mr.Sameer Govani relative of Mr.Salim Govani, Managing Director of the company as a Consultant w.e.f. December 1, 2006 at a monthly fee of Rs.45,000/- excluding traveling and other out of pocket expenses.”

“Further Resolved that any remuneration paid to him w.e.f. December 1, 2006 with in the aforesaid limit be and is hereby ratified.”

NOTES

1. An Explanatory Statement as required u/s 173(2) of the Companies Act, 1956, specified in the Notice under item no.4 and the relevant details in respect of item No.2 pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges are Annexed hereto.
2. 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.
3. The Register of Members and Share Transfer Book of the company will remain closed from 16.08.2007 to 21.08.2007 (both days inclusive).
4. Proxy Form and Attendance slips are enclosed.

**Information of Directors retiring by rotation seeking re-appointment and
Additional Directors seeking appointment at the ensuing Annual General Meeting**

Name	Mr. Raj K Vaisoha
Date of Birth & Age	October 19, 1964, 43 Years
Appointed on	October 7, 2002
Qualifications	B. Com
Expertise in specific Functional areas	Wide expertise in marketing
Directorship held in Other Public Ltd. Companies	-
No. of shares held in the company	- NIL -

BY ORDER OF THE BOARD

Place: New Delhi
Date : June 28, 2007

R.K.Ranga
Company Secretary

ANNEXTURE TO NOTICE

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

ITEM NO.4

Mr. Sameer Govani, who is a relative of Mr.Salim Govani as per Section 6 of the Companies Act, 1956 has been appointed as a Consultant with the company w.e.f. December 2006 for updating and reconstructing company's web site and developing ERP software for the company at a fee of Rs.45,000/- p.m. excluding Travelling and other out of pocket expenses.

In view of the continuous increase in turnover of the company and further keeping in view the ambitious expansion plans of the company, your Directors are of the opinion that an ERP software be developed for better efficiency, control and management. Accordingly, your directors decided to avail the Services of Mr. Sameer Govani, a graduate in Computer Science and having necessary knowledge and proficiency in this sphere.

The Board of Directors recommends the said resolution for your approval.

None of the Directors except Mr.Salim Govani as relative (being brother) of Mr.Sameer Govani is concerned or interested in this resolution.

By Order of the Board

R.K.Ranga
Company Secretary

Place: New Delhi
Date : June 28, 2007

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in placing before you the Annual Report and Accounts for the year ended 31st March 2007.

FINANCIAL RESULTS, OPERATIONS & FUTURE PROSPECTS

The financial results for the year ended on 31st March 2007 are as below:-

		31.3.2007 (Rs. in lacs)	31.3.2006 (Rs.in lacs)
Income from Sales	:	2389.21	1638.15
Other Income	:	89.45	42.31
Profit/(Loss) before interest and depreciation	:	278.31	314.72
Interest	:	--	55.00
Depreciation & Amortisation	:	144.61	140.81
Net Profit (Loss) for the year	:	125.70	111.44
Add Profit (Loss) brought forward from earlier years	:	(1677.10)	(1788.54)
Profit (Loss) Carried Forward	:	(1551.40)	(1677.10)

The total income of the company for the year 2006-07 was Rs.2389.21 lacs as against Rs.1638.15 lacs for the year 2005-06 recording a massive jump of 46%. The Net Profit has also shown an increase from Rs.111.44 lacs to Rs.125.70 lacs.

During the year under review your company's product "Himalayan" Natural Mineral Water continued to maintain its leadership position in the Natural Mineral Water segment in the market despite stiff competition from packaged water manufacturers. The efforts to widen the base in the retail market segment is continuing, the results of which would be reflected in the period to come.

Your Directors are hopeful that the high growth in the economy and enhanced influx of tourists in India coupled with the fact that the general public is gradually becoming aware of the difference between mineral water and packaged bottled water and is more health conscious now, the company's performance during the current year is likely to surpass several past records in terms of Turnover and profit.

ISSUE OF SHARES ON PREFERENTIAL BASIS

During the year 2005-06 the company had made a preferential issue of 2800000 equity shares of Rs.10/- each at a price of Rs.71/- per share including a premium of Rs.61/- per share. The total mobilization of funds through the aforesaid placement of Rs.19.88 crores was utilized to the extent of Rs.9.88 crores and the balance of Rs.10.00 crores was placed as on 31.03.2007 with various banks as Short term fixed deposits pending utilization, in order to earn interest. Your directors are constantly having discussions with technical experts for implementing expansion activities and utilizing the funds diligently, carefully and with utmost caution to ensure that the stake holders have value addition as a result of such expansion.

Further, since the close of financial year, the company has entered into Share Subscription Agreement with Tata Tea Ltd. where by 5099396 equity shares will be allotted to Tata Tea Ltd. on preferential basis at a price of Rs.140/- per share including a premium of Rs.130/- per share. In this respect an Extra Ordinary General Meeting has already been convened to be held on July 2, 2007. Tata Tea Ltd. also entered into a Share Purchase Agreement with the existing promoters to acquire 31,10,440 shares from them. Necessary steps have already been initiated by Tata Tea Ltd. to comply with SEBI (SAST) Regulations as applicable in connection with Open Offer to the existing shareholders.

DIVIDEND

In view of the accumulated losses your Directors regret their inability to pay any dividend.

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.

CORPORATE GOVERNANCE & AUDIT COMMITTEE

You company has consistently adopted high standards of corporate governance and is committed to and firmly believes in practicing good corporate governance. The company is fully compliant of the requirement of Listing agreement and provisions of all such other Acts and Statutory laws as applicable.

A report on corporate governance is attached to this report as also a management discussion and analysis statement.

THE COMPANY'S (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1998.

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-1 forming part of this report.

DISCLOSURES UNDER LISTING AGREEMENT

The company's shares are presently listed only with Bombay Stock Exchange. The company had completed all the formalities for voluntary delisting of Equity Shares of the company with Calcutta Stock Exchange during February 2004 and recently received a communication from the said Stock Exchange approving the delisting subject to payment of outstanding listing fee. Barring this, the company is regular in paying listing fee.

DIRECTORS RESPONSIBILITY STATEMENT

In compliance of Section 217(1)(e) of the Companies Act, 1956 your Directors confirm, subject to the statements given in the Annual Accounts:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed.
- (ii) that the Directors have selected and applied consistently such accounting policies and have been made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

DIRECTORS

In accordance with the provisions of Companies Act, 1956 and the Articles of Association of the Company Mr.Raj K Vaisoha retires by rotation at this Annual General Meeting and offers himself for re-election as Director of the company.

The appointment of Mr.Salim Govani as Managing Director of the company for a period of 3 years w.e.f. April 1, 2006 as approved by the share holders in the last Annual General Meeting, the remuneration was approved by the Central Government through Ministry of Corporate Affairs vide letter No.1/171/2006-CL-VII dated 8th February 2007 and 21st March 2007. Accordingly, Mr. Salim Govani is being paid remuneration as set out in the said approval.

AUDITORS

The Auditors M/s K.N.Gutgutia & Company, Chartered Accountants will retire at the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed that their re-appointment, if made, at the ensuing Annual General Meeting shall be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956.

AUDITORS' OBSERVATION

The observation of the auditors are self explanatory and therefore does not require any separate comments.

INSURANCE

All properties and insurable assets of the Company, including Building, Plant & Machinery and Stocks are adequately insured, wherever necessary, and to the extent required.

ACKNOWLEDGEMENT

Your Directors understand and appreciate the spirit of team work and are of the firm opinion that encouraging results can be achieved only through team work and joint efforts. Further, your directors take this opportunity to place on records the contribution made by the employees through their sincere and hard work and are hopeful that with the support of your employees at all levels, new records and milestone can be set. Your directors also express their appreciation for the co-operation extended by various offices of Govt. of Himachal Pradesh, Stock Exchanges, Company's bankers and all local and Central Govt. authorities.

For and on behalf of the Board

Salim Govani
Managing Director

Raj K. Vaisoha
Director

Place: New Delhi
Date: June 28, 2007

ANNEXURE – I TO DIRECTORS' REPORT

(Information under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosures of particulars in the report of Board of Directors) Rules 1988 and forming part of the Directors' Report for the year ended 31st March 2007)

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Your Directors and management appreciate and understand the importance of energy and necessity to conserve the same to the extent possible. There is a close systematic and continuous monitoring of energy consumption at all stages and processes in the plant. Various initiatives were taken during the year to reduce and control energy cost.

No imported technology is required for running the plant and all the raw materials and consumables are available from Indian markets.

I) ENERGY CONSERVATION

Particulars with respect to conservation of energy:-

	Current year ended on 31.03.2007	Previous year ended on 31.03.2006
(A) Power & Fuel Consumption		
Electricity		
(a) Purchased: Units (Nos.)	1937714	1704938
Total Amount (Rs.)	6830875	6895179
Rate/Unit (Rs.)	3.53	4.04
(b) Own generation:		
Through Diesel		
Units (Nos.)	153273	218322
Units per Ltr. Of Diesel	3.36	3.34
Cost/Unit (Rs.)	9.64	8.79
(B) Consumption per unit of Production		
Production of PET Bottles, Caps & Other Plastic compounds *	681.05	665.73
Electricity per MT of production (Units)	12198.48	13240.90

* Preform purchased in numbers have been converted to MT

II) RESEARCH & DEVELOPMENT (R & D)

1.	Specific areas in which R & D was carried out by the company	The technology involved in the process of manufacturing natural mineral water being not complex, no Research & Development is generally required.
2.	Benefits derived as a result of the above R&D	N A
3.	Future plan of action	There is no immediate future plan in this area.
4.	Expenditure of R & D	No expense was incurred during the period.

III) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1.	Efforts, in brief, made towards technology absorption, adaptation and innovation.	Single stage AOKI machines needed workers to collect blown bottles when released from the machine. An innovative air conveyor attachment was designed indigenously and the same was successfully attached to both the AOKI machines available with the company thereby reducing the workmen requirement and also avoiding human touch for better hygiene and sanitation.
2.	Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, etc.	Reduction in manpower and improvement in quality control.
3.	Technology imported during last five years (i) Technology imported for manufacture (ii) Year of import (iii) Has technology been fully absorbed	NIL N.A. N.A. N.A.

IV) FOREIGN EXCHANGE EARNED AND USED

		Current year ended on 31.03.2007 (Rs.)	Previous year ended on 31.03.2006 (Rs.)
1.	Foreign Exchange earned	Nil	3,36,071
2.	Foreign Exchanged used		
	- Testing & Professional fee	3,34,556	Nil
	- Interest	Nil	35,34,075

For and on behalf of the Board

Salim Govani
Managing Director

Raj K. Vaisoha
Director

Place: New Delhi

Date: June 28, 2007

