

MOUNT EVEREST MINERAL WATER LIMITED

Nineteenth annual report 2009-2010

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MOUNT EVEREST MINERAL WATER LIMITED

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CORPORATE INFORMATION

Board of Directors

P T Sigamoria (*Chairman*)
Salim Govani
Vinod Sethi
Ajoy K Misra
Pradeep Mallick
Joseph Kodianthara
Ajit Shah
Ranjit Barthakur
V Subramanian
Suresh Borkar
Pradeep Poddar (*Managing Director*)
Abanti Sankaranarayanan (*Ms.*)* (*Executive Director*)

* resigned w.e.f. 14.06.2010

A P K Chettiar (*General Manager - Legal & Company Secretary*)

Auditors

SNB Associates
Chartered Accountants

Bankers

The Hongkong & Shanghai Banking Corporation Limited
State Bank of India
HDFC Bank Limited

Registrar & Share Transfer Agent

Skyline Financial Services Private Limited
2476, Sant Nagar, East of Kailash
New Delhi 110 065
Tel : 011 2629 2682 / 2629 2683
Fax : 011 2629 2681, E mail : admin@skylinerta.com

Registered Office & Works

Village Dhaula Kuan,
District Sirmour 173 025,
Himachal Pradesh

Corporate Office

Mount Everest Mineral Water Limited
Ballard House, Level - 1,
Adi Marzban Path, Ballard Estate,
Mumbai - 400 038
Tel.: 9122 6746 5858; Fax: 9122 6615 7527

NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of Mount Everest Mineral Water Limited will be held on Friday, July 30, 2010 at 4.30 PM at Village Dhaula Kuan, District Sirmour – 173 025, Himachal Pradesh to transact the following business:-

Ordinary Business

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2010, and the Balance Sheet as at that date together with the Report of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr Pradeep Mallick, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr Joseph Kodianthara, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr Ajit Shah, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr Ranjit Barthakur, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors and fix their remuneration.

BY ORDER OF THE BOARD

A P K Chettiar
General Manager (Legal) &
Company Secretary

Place: Mumbai

Date : May 14, 2010

Registered Office :

Village Dhaula Kuan

District Sirmour 173 025

Himachal Pradesh

NOTES

1. The details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of Directors seeking re-appointment at the Annual General Meeting, are annexed hereto.
2. **A Member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a Member of the Company. Proxies, in order to be effective must be received at the Company's Registered office not less than forty eight hours before the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms etc., must be backed by appropriate resolution/authority as applicable, issued by the member organization.**
3. The Register of Members and Share Transfer Book of the Company will remain closed from July 23, 2010 to July 30, 2010 (both days inclusive).
4. Proxy Form and Attendance slips are enclosed.
5. Members holding shares in physical form are requested to advise any change of address immediately to Company's Registrar and Share Transfer Agents, Skyline Financial Services Private Limited. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, change in name, etc. to their Depository Participant (DP). These changes will be automatically reflected in Company's records, which will help the Company to provide efficient and better service to the members.
6. Pursuant to SEBI notification no.MED/DOP/CIR-05/2009 dated May 20, 2009, it has become mandatory for the transferee(s) to furnish copy of PAN Card to the Company/RTA for transfer of shares in physical form.

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DETAILS OF DIRECTORS RETIRING BY ROTATION AT THIS ANNUAL GENERAL MEETING

Name of the Director	Mr Pradeep Mallick	Mr Joseph Kodianthara	Mr Ajit Shah	Mr Ranjit Barthakur
Date of Birth	20.11.1942	27.05.1962	11.10.1946	08.08.1954
Date of Appointment	22.08.2007	22.08.2007	26.09.2008	30.09.2008
Qualifications	B.Tech., Chartered Engineer	B. Com., LLB	B. Com., F.C.A.	B. A. (Economics)
No. of shares of the Company held	Nil	Nil	Nil	Nil
Expertise in Specific functional areas	Vast and rich experience in electrical power generation, transmission and distribution sectors	Vast and rich experience in the legal field.	Vast and rich experience in audit, assurance and taxation.	Vast and rich management experience in corporate strategies
List of Directorships held in other companies.	<ul style="list-style-type: none"> - Automotive Stampings & Assemblies Limited - Blue Star Limited - ELANTAS Beck India Limited - ESAB India Limited - JRG Securities Limited - Tube Investments of India Limited 	<ul style="list-style-type: none"> - Innovative Marine Foods Limited 	Nil	<ul style="list-style-type: none"> - Perfect Circle India Limited
Chairman/Member of the Committees of Boards of other companies in which he is Director as on March 31, 2010	<ul style="list-style-type: none"> - Automotive Stampings & Assemblies Limited - ELANTAS Beck India Limited - Blue Star Limited - ESAB India Limited - Tube Investments of India Limited 	<ul style="list-style-type: none"> - Innovative Marine Foods Limited 	Nil	Nil

* Other Directorships/Committee memberships exclude Directorships in private/foreign companies and companies incorporated under Section 25 of the Companies Act, 1956.

DIRECTORS' REPORT

Your Directors' are pleased to submit their report together with the audited results for the year ended March 31, 2010.

1. Financial Results

The financial results for the year ended on March 31, 2010 are as below:-

	2009-10 (Rs. lacs)	2008-09 (Rs. lacs)
Income from Sales		
- Mineral Water	1907.61	2199.43
Movement in stocks	(2.72)	(55.85)
Other Income	527.17	600.23
Total Income	2432.06	2743.81
Profit/ (Loss) before interest and depreciation	(1180.24)	(2644.50)
Depreciation & Amortisation	230.04	133.15
Exceptional Items	-	122.61
Profit before Tax	(1410.28)	(2777.65)
Fringe Benefit Tax	-	19.15
Profit / (Loss) after Tax	(1410.28)	(2796.80)
Profit / (Loss) brought forward from earlier years	(4980.83)	(2184.03)
Profit / (Loss) Carried Forward	(6391.11)	(4980.83)

2. Operation Results

Highlights

The economic recession and the consequent restraint on expenditure continued during the year, thereby further impacting business from the hospitality, aviation and entertainment industries. Since these categories constitute about 70% of the institutional business, the impact on your Company's turnover was substantial. However, your Company has managed to improve on its retail footprint by foraying into additional secondary cities during the year. As the result of the above, your Company achieved a turn over of Rs.1908 lacs for the year, as compared to a previous year figure of Rs 2199 lacs.

On the cost front, the material cost has been well handled by achieving an appropriate product mix, and has been kept significantly below the last year. Certain other initiatives, namely, sourcing from new vendors, vendor proximity and upgradation of factory, were implemented. The Company was also successful in managing the administrative overheads optimally.

The reduction in other income is a result of a reduction in the surplus funds, which were utilized for the specified objects under the Preferential Allotment. The other income also includes a sum of Rs 100 lacs charged to Tata Tea Limited, being fees for the development of new products.

3. Preferential Issue

As on date, Tata Tea Limited holds 40.92% of the shares in the Company and is the single largest shareholder of the Company. By virtue of Tata Tea Limited controlling the composition of the Board of Directors of the Company and the management control, the Company is a subsidiary of Tata Tea Limited.

During the year, the Company utilized a sum of Rs.15.26 crores towards the objects earmarked in the preferential issue of 2007. The unutilized portion of the preferential issue as on March 31, 2010 amounting to Rs. 35.52 crores was invested in mutual funds or placed as Inter Corporate Deposits.

4. Dividend

In view of the accumulated losses, your Directors do not recommend any dividend for the year.

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5. Corporate Governance

Your Company has consistently adopted high standards of Corporate Governance and is committed to and firmly believes in practising good governance.

A note on Corporate Governance as also the certificate from Company's Auditors confirming compliance of Corporate Governance norms, together with Management Discussion and Analysis are included in the Annual Report.

6. Directors Responsibility Statement

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956 ('the Act') and based on the representations received from the operating management, your Directors hereby confirm that:-

- i) In the preparation of the Annual Accounts for 2009-10, the applicable Accounting Standards have been followed and that there are no material departures.
- ii) They have selected such accounting policies with the approval of the Statutory Auditors and applied them consistently and 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/loss of the Company for the financial year.
- iii) They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) They have prepared the Annual Accounts on a going concern basis.

7. Directors

Ms Abanti Sankaranarayanan, Executive Director resigned from the services of the Company with effect from June 14, 2010. Your Directors wish to place on record their deep appreciation for the valuable contributions made by Ms Sankaranarayanan during her association with the Company as Executive Director.

Mr Pradeep Mallick, Mr Joseph Kodianthara, Mr Ajit Shah and Mr Ranjit Barthakur retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election. Brief particulars and expertise of these Directors as also their other Directorships and committee membership are annexed to the Notice of the Annual General Meeting.

All these Directors have filed Form DD-A with the Company as required under the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003 .

8. Auditors

The Members are requested to appoint Auditors and fix their remuneration. M/s SNB Associates, the retiring Auditors have furnished certificate of their eligibility for reappointment as required under the Companies Act, 1956.

9. Particulars of Employees

Information as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, are given in the Annexure forming part of this report.

However, having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the Members of the Company and others entitled thereto. Any Member interested in obtaining such particulars may write to the Company Secretary at the Corporate Office of the Company.

10. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo in accordance with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed to this report.

11. 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.

12. Concluding Remarks

Your Directors wish to convey their appreciation to all employees of the Company for their enormous personal efforts as well as their collective contribution to the Company's performance over the years and particularly in 2009-10. Your Directors would also like to thank the various Government Institutions, Departments and Organisations, Company's banks, distributors, suppliers, transporters and other stakeholders for their unstinting support.

On behalf of the Board of Directors

P T Siganporia
Chairman

Mumbai, May 14, 2010

ANNEXURE TO THE DIRECTORS' REPORT

Particulars of Conservation of energy, Technology absorption and Foreign exchange earnings and outgo in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Directors) Rules, 1988 forming part of the Directors' Report for the year ended March 31, 2010.

(a) Energy Conservation measure taken :

The use of Hydro-electricity in lieu of diesel generators at the plant has ensured cost effective reduction in usage of fossil fuels.

(b) Additional Investments & Proposals :

Nil

(c) Impact of measures taken :

The effective use of Hydro-electricity at the plant led to savings in the cost of operations.

FORM A

I) PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:-

	Current year ended on 31.03.2010	Previous year ended on 31.03.2009
(A) Power & Fuel Consumption Electricity		
(a) Purchased: Units (Nos.)	13,43,734	23,54,866
Total Amount (Rs.)	63,48,292	95,10,778
Rate/Unit (Rs.)	4.72	4.04
(b) Own generation:		
Through Diesel		
Units (Nos.)	11,470	34,980
Units per Ltr. of Diesel	3.00	3.00
Cost/Unit (Rs.)	11.04	11.43
(B) Consumption per unit of Production		
Production of PET Bottles, Caps & Other Plastic compounds*	432.74	613.01
Electricity per MT of production (Units)	14,962.63	16,167.02

* 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 packaging Natural Mineral Water being not complex, no research and development is generally required.
2. Benefits derived as a result of the above R&D : N.A.
3. Future plan of action : There are no immediate future plan in this area.
4. Expenditure on R & D : No expenses incurred during the period.

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III) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- | | |
|--|--|
| 1. Efforts in brief, made towards technology absorption, adaptation and innovation. | <ul style="list-style-type: none"> i) An advanced Voltage Stabilizer ordered to improve blowing machine efficiency and reduce the rejections. ii) A new filling line created with innovative online dosing system & static mixing system, for PET Bottles & Pouches. iii) Latest Grundfos SS Submersible Pump fitted in borewell to further enhance the quality & capacity for pumping out the water. |
| 2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction. | Improved blowing machines efficiency, reduced rejections & improved quality of products. Enhancement in the filling capacity for new products. |
| 3. Technology imported during last five years | |
| (i) Technology imported for manufacture | <ul style="list-style-type: none"> i) Labeling cum Steam Shrinking machine ii) Moulds |
| (ii) Year of import | <ul style="list-style-type: none"> i) 2007-08 ii) 2007-08 |
| (iii) Has technology been fully absorbed | <ul style="list-style-type: none"> i) Yes ii) Yes |

IV) FOREIGN EXCHANGE EARNED AND USED

	Current year ended on 31.03.2010 (Rs.)	Previous year ended on 31.03.2009 (Rs.)
1. Foreign Exchange earned	Nil	Nil
2. Foreign Exchange used for expenses		
i) Professional Fees	3,35,68,563	1,26,68,138
ii) Advertisement	Nil	6,38,563
iii) Travelling Expenses	14,33,715	2,35,956
iv) Repairs & Maintenance Expenses	1,30,057	Nil
v) Selling Expenses	46,392	Nil
Value of Imports in CIF Basis		
i) Capital Goods	Nil	28,78,452
ii) Raw Material	53,42,275	10,12,058

For and on behalf of the Board

P T Siganporia
Chairman

Mumbai
May 14, 2010

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRIAL STRUCTURE AND DEVELOPMENT

The Indian bottled water market continues to be in its nascence but growing at a steady 23+%. The entire water category market is estimated at Rs 2200 crores.

The category has been triggered by three realities, namely

- 1) Economic liberalisation – opening up of the economy catalysing high economic growth post 1991.
- 2) A Continuing shift in lifestyle with consumers spending on indulgences like holidays, eating out, movies and entertainments i.e. out of home experiences.
- 3) Scarcity of potable water especially out of home.

The Water category is distinguished into 3 sub-categories viz. i) Packaged Drinking Water, ii) Natural Mineral Water and iii) Carbonated Water. In this, the Packaged Drinking Water is by far the largest category.

It is estimated that 90 million people consume bottled water in India giving a penetration of 9% with a per capita consumption of one and half litres per year. Nearly 50% of the consumption is confined to the top 25 metros / cities and about 55% with SEC A making the category urban centric and top end opening up a growing opportunity both in small town India and across SECs.

Brands are being added to the category, on an annual basis, presently there are more than 200 Brands, but only 3 brands dominate the market. The category is highly price sensitive and accessibility is the driving criterion. The category has the prospect of growing exponentially, based on the level of awareness and maturity amongst the populace. As industry advertising increases across all segments.

OPPORTUNITIES, OUTLOOK, THREATS & RISKS

Natural Mineral Water has a very small share of the entire Water category, estimated at around Rs 100 crores. Himalayan is the only widely accepted and accredited brand in the category, and is placed at a premium pedestal and as an image driver. It is a long haul product and has a huge potential, based on the consumer awareness and aspirations. The Retail market is a challenge for distribution but offers a big opportunity for the Company.

The Company's strategic intent is to ride on this growing opportunity with a three pronged strategic platform. 1) Going beyond safety into health with fortified water which is aligned to the needs of the populace through cutting – edge science. 2) Sustaining / improving the current price equilibrium, by offering a price lower than competition and at a psychological price point advantage through innovative and convenient packaging 3) Building product Trust through the Tata Branding.

SEGMENT-WISE OR PRODUCT WISE PERFORMANCE

As stated in Schedule – 19 to the accounts for the year under review, sales and production of natural mineral water in PET bottles continues to be the core activity of the Company.

INTERNAL CONTROL SYSTEMS

The Company is constantly monitoring and improving on its internal control systems to ensure that all Company's policies, procedures and guidelines are in place as also to make certain that all transactions are authorized, recorded and reported correctly.

FINANCIAL & OPERATING PERFORMANCE

The depressing macro economic situation globally took a toll on the overall business of the Company with major institutions cutting back on their costs and therefore consumption of the Company's branded product. As a result, the Turnover of the Company stood at Rs 1908 lacs, but the Retail segment witnessed growth of 26%. The Loss before Tax was at Rs 1410 lacs – about half of the previous year's figure – largely achieved by cost management.

TREASURY AND LIQUIDITY

The Company has surplus funds of Rs 3552 lacs being the monies lying unutilized out of the Preferential Allotment made in 2007. The surplus funds have been invested in mutual funds and Inter Corporate Deposits (ICD). The Company does not have any borrowing as at March 31, 2010.

HUMAN RESOURCES

Your Company lays great emphasis on the importance of human resources and recognizes the fact that no organization can grow without a committed team of employees at all levels. Accordingly, it aims to retain and recruit quality professionals and provide them with a high performance environment. The employees are rewarded on the basis of their performance, longevity in the service, dedication, sincerity and loyalty. No man days were lost on account of strike or dispute during the year and over all relations with the employees and workers remained cordial and harmonious. The total number of employees and workers as on March 31, 2010 was 163 in all.

CAUTIONARY STATEMENT

Statements in this report on Management's Discussions and Analysis describing the Company's objectives, projections, may be forward looking statements and are based on certain expectations. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference in the Company's operations include situation in the sub-continent affecting the tourist inflow in the country, cost of raw materials and other inputs, cost of transportation, change in Government policies and imposition of new duties, taxes or cess.

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REPORT ON CORPORATE GOVERNANCE

Investor Relations

1. Company's Philosophy on Code of Governance

The Company's philosophy on Corporate Governance is to ensure transparency in all its dealings and in the functioning of the management and Board of Directors. These policies seek to focus on enhancement of long-term shareholder value without compromising on integrity, social obligations and regulatory compliances. The Company operates within accepted standards of propriety, fair play and justice and aims at creating a culture of openness in relationships between itself and its stake-holders. The Corporate Governance policy of the Company has been further strengthened through the Tata Code of Conduct and Tata Code for Prevention of Insider trading adopted by the Company.

The Company is in compliance with mandatory provisions of Clause 49 of the Listing Agreement with the Stock Exchanges.

2. Board of Directors

As on March 31, 2010 the Company had 12 directors and the composition of the Board of Directors is given in the table below. The Chairman of the Board is a Non-Executive Director and 83% of the Board comprises of Non-Executive Directors and 50% of the Board comprises of Non-Executive Independent Directors.

A. Composition of Directors as on March 31, 2010

Category	Number of Directors	Percentage
Promoters' representatives	4	33.33
Managing & Executive Directors	2	16.67
Non-Executive Independent Directors	6	50.00
	12	100.00

Details of attendance of Directors at Board Meetings and at the last Annual General Meeting with particulars of their other Directorships and Chairman/Memberships of Board Committees showing the position as on March 31, 2010 are given in the following table:

Name of Director	Category	Attendance at		Directorships and Chairman/ Membership of Board Committees in other Companies @		
		Board Meetings/ Meetings Held	Last AGM	Director#	Committee Member	Committee Chairman
Mr P T Siganporia	C, NED & PR	5/5	Yes	2	Nil	Nil
Mr Salim Govani	NED & PG	5/5	No	2	1	Nil
Mr Vinod Sethi	NED & PG	5/5	No	11	8	Nil
Mr Ajoy K Misra	NED & PR	4/5	No	5	Nil	Nil
Mr Pradeep Mallick	NED-I	5/5	No	6	6	1
Mr Joseph Kodianthara	NED-I	5/5	Yes	1	1	Nil
Mr Ajit Shah	NED-I	4/5	Yes	Nil	Nil	Nil
Mr Ranjit Barthakur	NED-I	5/5	Yes	1	Nil	Nil
Mr V Subramanian	NED-I	3/5	Yes	2	1	Nil
Mr Suresh Borkar	NED-I	3/5	Yes	1	1	1
Mr Pradeep Poddar	MD	5/5	Yes	1	1	1
Ms. Abanti Sankaranarayanan	ED	5/5	No	Nil	Nil	Nil

C: Chairman, NED: Non-Executive Director; I: Independent Director; MD: Managing Director; ED: Executive Director; PR: Promoter's Representative, PG: Promoter's Group.
Other Directorships do not include Alternate Directorships, Directorships of Private Limited Companies and of Companies incorporated outside India.
@ Committees pertain to other than those of the Company and include only Audit and Investor / Shareholder Grievance of Indian Public Limited Companies.

All Directors, except the Managing and Executive Directors are liable to retire by rotation.

Minutes of the meetings of all the Board Committees are circulated to all the Directors.

Particulars about Directors who are retiring by rotation and eligible for reappointment have been given in the attachment to the Notice and Explanatory Statement.

The Company has received declarations on seven criteria of independence as prescribed in clause 49.I.A (iii) of the Listing Agreement from the Non-Executive Directors of the Company who have been classified as Independent Directors.

No Director of the Company is related to any other Director of the Company.

B. Non-Executive Directors' compensation and disclosures

Presently, the Non-Executive Directors including Independent Directors are not paid sitting fees for attending the meetings of the Board and Committees of the Board. However, with effect from FY 2010-11, the Non Executive Directors including Independent Directors shall be paid of fee of Rs. 10,000/- per meeting per Director for attending meeting of the Board and Audit Committee. For meetings of all other Committees of the Board, a sitting fee of Rs. 5,000/- per meeting shall be paid.

C. Other Provisions as to Board and Committees

During 2009-10 the Board met 5 times on 17.04.2009, 19.05.2009, 24.07.2009, 22.10.2009 and 21.01.2010. The maximum time gap between any two board meetings was less than four months. As will be noted from the table given above, no Director is member of more than 10 Board Committees or Chairman of more than 5 Board Committees across all companies where he/she is a Director.

D. Code of Conduct

Tata Code of Conduct is a comprehensive written code which is applicable to all employees including the Managing and Executive Directors. A condensed code of conduct applicable to the Non-Executive Directors was laid down by the Board. Both the Tata Code of Conduct and the Code of Conduct for Non-Executive Directors have been posted on the website of the Company.

In respect of the year 2009-10 all Board members and Senior Management personnel of the Company have affirmed compliance with the code as applicable to them.

3. Audit Committee

i) Brief description of the terms of reference

The role and terms of reference of the Audit Committee including its role and powers are specified in Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956. Apart from all these matters the Audit Committee reviews management accounting policies followed by the Company and deliberates upon suggestions of the Statutory Auditors and Internal Auditors for implementation as and when required.

ii) Composition, name of members and Chairperson

As on March 31, 2010, the Audit Committee of the Board consisted of seven Directors namely Mr Ajit Shah, Mr Pradeep Mallick, Mr Joseph Kodianthara, Mr V Subramanian, Mr Suresh Borkar, Mr Ajoy K Misra and Mr Vinod Sethi. Mr Ajit Shah, the Chairman of the Committee, is a Chartered Accountant and has experience over three decades in the areas of audit, assurance and taxation. All members of the Audit Committee are Non-Executive Directors and five of them including the Chairman are Independent Directors. All the members of the Audit Committee are financially literate as defined in clause 49.II.(A) of the Listing Agreement.

The Chairman of the Audit Committee was present at the last AGM.

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iii) Attendance at meetings during the year

During 2008-09, the Audit Committee met 5 times on 17.04.2009, 18.05.2009, 24.07.2009, 21.10.2009, and 20.01.2010. Invitees to the Committee meetings are Managing Director, Executive Director, Chief Financial Officer and the Company Secretary. The Company Secretary acts as the Secretary of the Audit Committee.

The attendance of the Committee Members at the meetings are listed below:

Name of Members	17.04.09	18.05.09	24.07.09	21.10.09	20.01.10
Mr Ajit C Shah	✓	✓		✓	✓
Mr Pradeep Mallick	✓	✓	✓	✓	✓
Mr Joseph Kodianthara	✓	✓	✓	✓	✓
Mr V Subramanian	✓		✓		✓
Mr Suresh Borkar	NA	✓		✓	
Mr Ajoy Misra	✓	✓	✓		✓
Mr Vinod Sethi		✓	✓	✓	

NA - Mr Suresh Borkar was appointed w.e.f. 18.05.09

4. Remuneration Committee

i) Brief description of the terms of reference

The Board has set up a Remuneration Committee. This Committee is responsible for recommending to the Board, the remuneration package of Managing and Executive Directors including their annual increment and Performance Bonus after reviewing their performance.

ii) Composition, name of members and Chairperson

The Remuneration Committee comprising of 5 Non-Executive Directors with Mr Pradeep Mallick as Chairman, Mr Joseph Kodianthara, Mr Ranjit Barthakur, Mr P T Siganporia and Mr Ajoy K Misra as members. Three of the five Non-Executive Directors are Independent.

iii) Attendance during the year

The Remuneration Committee met once during 2009-10 on October 22, 2009 which was attended by all the members except Mr Ajoy K Misra.

iv) Remuneration Policy

The remuneration policy followed by the Company takes into consideration performance of the Company during the year and of the Managing and Executive Directors on certain parameters, such as state of the industry, achievement of budgeted targets, growth & diversification, benchmark remuneration in other companies of comparable size and complexity, performance of the Directors at meetings of the Board and of the Board committees etc.

In case of the Non-Executive Directors, they did not receive sitting fees towards their attendance of the Board and Committee meetings until March 31, 2010. However, with effect from FY 2010-11, the Non Executive Directors including Independent Directors shall be paid of fee of Rs. 10,000/- per meeting per Director for attending meeting of the Board and Audit Committee. For meetings of all other Committees of the Board, a sitting fee of Rs. 5,000/- per meeting shall be paid.

Shares held by Non-Executive Directors - Mr Vinod Sethi holds 860,439 shares of the Company. None of the other Non-Executive Directors hold shares of the Company.

v) **Service contract and Notice period of Managing and Executive Directors**

Mr Pradeep Poddar's contract as Managing Director and Ms Abanti Sankaranarayanan's contract as an Executive Director are for a period of 5 years from August 22, 2007 to August 21, 2012, terminable by 6 months' notice on either side. The details of remuneration to the Managing and Executive Directors are given as below:

(Rs. in lacs)

Particulars	Mr Pradeep Poddar Managing Director	Ms Abanti Sankaranarayanan Executive Director
Salary	36.00	19.91
Allowances & perquisites	89.36	53.55
Contribution to Retiral funds	11.45	6.33
Commission for 2009-10	-	-
Sitting Fees	N.A.	N.A.
No. of shares held	Nil	Nil
Service Contract	5 years from August 22, 2007	5 years from August 22, 2007
Notice period	6 months	6 months

5. **Share Transfer cum Investors' Grievance Committee**

i) **Composition, name of members and Chairman of the Committee**

The Share Transfer cum Investors' Grievance Committee consists of 4 Directors with Mr Pradeep Mallick as Chairman, Mr V Subramanian, Mr Pradeep Poddar and Ms Abanti Sankaranarayanan as members.

The Committee has held 3 meetings during 2009-10 on May 18, 2009, October 21, 2009 and January 20, 2010. The Committee oversees the performance of Skyline Financial Services Private Limited, Registrar and Share Transfer Agent, and recommends measures for overall improvement of the quality of investor services. To expedite the process of share transfers, the Board has delegated the power of share transfer to the Committee and share transfer formalities are approved by them on a fortnightly basis.

ii) **Name and designation of Compliance Officer**

Mr A P K Chettiar, General Manager (Legal) & Company Secretary is the Compliance Officer.

iii) **Number of shareholders' complaints received so far, Number not solved to the satisfaction of shareholders and Number of pending complaints.**

Given below is the position of queries/complaints and other correspondences received and attended to during 2009-10 in respect of equity shares.

During 2009-10 the Company/Registrar had received 6 complaints from the shareholders, all of which have been resolved.

For non-receipt of shares lodged for transfer	: 2
Queries/Complaints redressed	: 5
Pending queries as on 31.03.2010	: 1
Other Letters received from shareholders and replied	: 30

The response time for shareholders' correspondences during 2009-10 is shown in the following table:

	Number of letters	Percentage Weightage
Replied within 1 to 4 days of receipt	4	11.42%
Replied within 5 to 7 days of receipt	1	2.86%
Replied within 8 to 15 days of receipt	30	85.72%
Replied after 15 days of receipt	Nil	Nil
Total number of correspondence during the year.	35	100%
Received in last week of March 2010 and replied in April 2010	1	2.86%

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Dematerialisation of Shares

96.27% of the issued share capital of the Company is held in dematerialized form as on March 31, 2010.

The shares of the Company are traded in dematerialized form. A table showing the requests received for dematerialization/transfer during 2009-10 is given below:-

	Physical Transfers		Demat Transfers	
	No. of requests received	No. of shares	No. of requests received	No. of shares
Lodged	114	44000	102	65883
Processed	81	23600	96	64483
Objections	33	20400	6	1400
Pending as on 31.03.2010	Nil	Nil	Nil	Nil

6. Ethics and Compliance Committee

The Ethics and Compliance Committee consists of 3 Directors with Mr Pradeep Mallick as Chairman, Mr V Subramanian and Mr Pradeep Poddar as members. The Committee looks into the requirements under Insider Trading Regulations including the Group guidelines on Insider Trading and Tata Code of Conduct. During the year 2009-10, two meetings of the Committee were held on October 21, 2009 and January 20, 2010.

7. General Body Meetings

i. Location and time of General Meetings, whether any special resolutions passed in the previous AGM/EGMs

The details of General Meetings of the Company held during the last three years are as under:

Type	Year	Location	Date	Time	No. of Special Resolutions approved at the AGM/EGM	Subject of Special Resolutions
AGM	2006-07	Village Dhaula Kuan, District Sirmour, Himachal Pradesh.	August 21, 2007	9.00 AM	1	Remuneration to Mr Sameer Govani a relative of MD
AGM	2007-08	Same as above	August 27, 2008	4.30 PM	1	Utilization of the proceeds of Preferential Issue in 2005 and 2007
EGM	2007-08	Same as above	July 2, 2007	9.30 AM	2	Amendment to AoA & Pref. Allotment to Tata Tea Ltd.
EGM	2007-08	Same as above	January 15, 2008	4.30 PM	3	Amendment to AoA & Remuneration to MD/ED
EGM	2008-09	Same as above	Dec 29, 2008	4.30 PM	Nil	-
AGM	2008-09	Same as above	July 31, 2009	4.30 PM	1	Revision in terms of Remuneration to Ms Abanti Sankaranarayanan, Executive Director

ii. **Whether any special resolution passed last year through postal ballot –**

Yes. During 2009-10, one special resolution was approved by the shareholders through one Postal Ballot carried out during May/June 2009. The Post Ballot, a Special Resolution relating to changes in Objects Clause of the Memorandum of Association by addition of two new objects and commencement of business relating to these new objects was passed. The voting pattern in the Postal Ballot exercise is given in the following table. The Special Resolution was passed with requisite majority.

Postal Ballot held in May/June 2009

	Resolution		
	No. of Ballots	No. of Votes	%
Votes cast in favour	132	15,484,969	99.93
Votes cast against	2	410	0.00
Invalid votes	23	10,304	0.07
Total	157	15,495,683	100

iii. Person who conducted the postal ballot exercise

The Postal Ballot exercise was conducted by the Registrar and Share Transfer Agent of the Company, Skyline Financial Services Private Limited under the overall supervision of the Company Secretary and the Scrutinizer appointed by the Board for the Postal Ballot was Mr Samrish Bhanja, Practising Company Secretary.

iv. Whether any special resolution is proposed to be conducted through postal ballot. At present there is no such proposal.

v. Procedure for postal ballot

The Postal Ballot is carried out following the procedure set out in Section 192A of the Companies Act, 1956 read with the Companies (The Passing of the Resolution by Postal Ballot) Rules, 2001.

8. **Disclosures**

i) **Disclosures on materially significant related party transactions that may have potential conflict with the interest of company at large.**

There was no transaction of a material nature with any of the related parties which was in conflict with the interest of the Company.

Details of transactions of a material nature with related parties as specified in Accounting Standard 18 issued by the Institute of Chartered Accountants of India have been reported in the Notes to the Accounts.

ii) **Risk Management**

The Company has in place a mechanism to inform the Board members about the Risk assessment and minimization procedures and periodical reviews to ensure that the critical risks are controlled by the management.

iii) **Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last three years.**

There was no such instance in the last three years.

iv) **Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee.**

The Board has approved a whistle blower policy which has been communicated to the employees. The policy provides a mechanism for employees to report their concerns about unethical behavior, actual or suspected fraud or violation of Company's code of conduct and provides safeguards against victimization of employees who avail the mechanism. The policy permits reporting any concern relating to (i) financial / accounting matters and (ii) employees at the levels of Vice Presidents and above and the Ethics counsellor directly to the Chairman of the Audit Committee. For all other matters the concern can be reported to the Ethics counsellor of the

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Company. The policy with the name and address of Chairman of Audit Committee has been circulated to the employees. No employee has been denied access to the Chairman of Audit Committee.

v) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.

The Company is compliant with mandatory requirements of Clause 49 of the Listing agreement. As far as the seven non-mandatory requirements are concerned the Board has set up a Remuneration Committee as detailed in Clause 4 above. The Board has also adopted a whistle blower policy which enables the employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Company's code of conduct. The policy provides direct access to the Chairman of the Audit Committee under certain circumstances. The policy has been communicated to the employees. Remaining non-mandatory requirements of Clause 49 are expected to be addressed in due course.

9. CEO / CFO certification

A certificate from the CEO / CFO on the financial statements of the Company was placed before the Board, as required by Clause 49 (V) of the Listing agreement.

10. Means of Communication

i) Quarterly results -

Through publication in newspapers.

ii) Newspapers wherein results normally published -

The quarterly results are generally published in Financial Express (English) and Jansatta (Hindi).

iii) Any website, where displayed -

The quarterly results of the Company are put on the web site of the Company after these are submitted to the Stock Exchanges. Our web site address is www.himalayanmineralwater.com

iv) Whether it also displays official news releases -

No

v) The presentations made to institutional investors or to the analysts -

No

11. General Shareholder Information

i) AGM – Date, Time and Venue, Financial Year, Date of Book Closure

Annual General Meeting

Date and Time	: July 30, 2010
Venue	: Village Dhaula Kuan, District Sirmour 173025, Himachal Pradesh
Financial Calendar (Tentative)	: April to March
Board Meeting for approval of Annual Accounts 2009-10	:
Financial Results for 1 st Quarter 2010-11	: Last week of July 2010
Financial Results for 2 nd Quarter 2010-11	: Last week of October 2010
Financial Results for 3 rd Quarter 2010-11	: Last week of January 2011
Annual Accounts 2009-10	: Last week of May 2011
Book Closure Period	: July 23, 2010 to July 30, 2010

ii) Listing of Equity Shares on Stock Exchange:

Bombay Stock Exchange Limited, Mumbai

Stock Codes

: BSE: 531096

Demat ISIN No. INE 690B01018

Listing fee

: Annual Listing fee for 2010-11 have been paid to the Stock Exchange, Mumbai where the shares of the Company are listed.

iii) Registrar & Share Transfer Agent:

: Skyline Financial Services Pvt. Ltd.

246, Sant Nagar, East of Kailash, New Delhi – 110 065

Tel. 011-26292682, 26292683

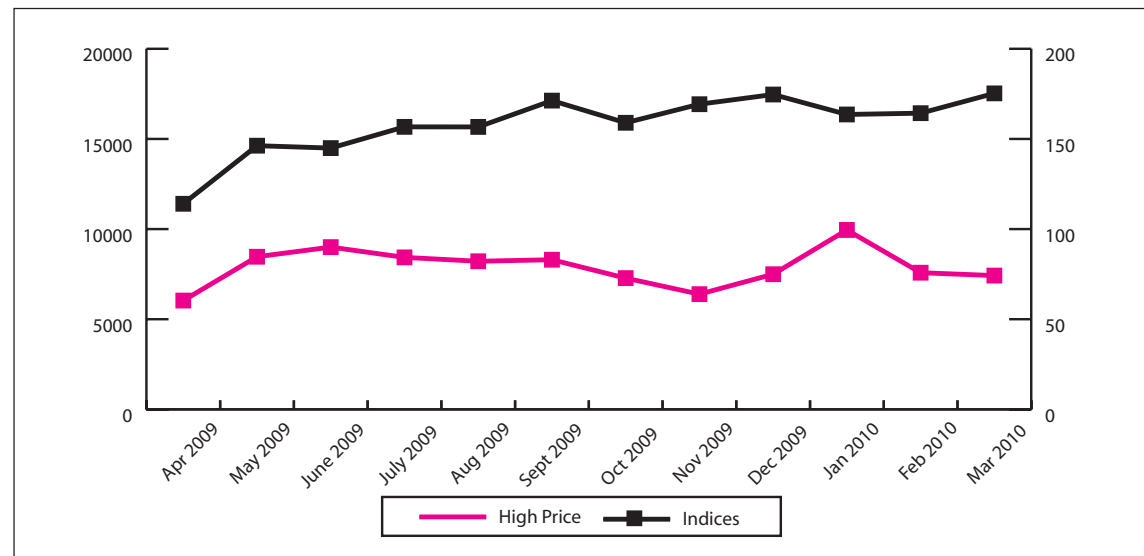
Fax 011- 26292681

E-Mail: admin@skylinerta.com

iv) Market Price Data:

Monthly high/low during the last financial year on the BSE depicting liquidity of the Company's Equity Shares on the said exchange is given hereunder:

Month	High (Rs.)	Low(Rs.)	No of Shares Trades
April 2009	60.35	46.30	98546
May 2009	84.65	50.25	139339
June 2009	90.00	69.50	1803474
July 2009	84.30	69.00	508099
August 2009	82.15	67.65	825963
September 2009	83.00	62.70	2148971
October 2009	72.80	58.70	4670222
November 2009	63.90	53.60	695164
December 2009	74.95	57.80	2855080
January 2010	99.50	64.55	10289101
February 2010	75.80	64.85	2243911
March 2010	74.20	65.10	6063744



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v) Share Transfer System

Trading in Equity Shares of the Company is permitted in Demat form only. Work related to share transfer/other investor services are handled by Skyline Financial Services Pvt. Ltd., New Delhi. All share transfers/transmissions and related requests are normally processed and completed within 15 days of receipt of request.

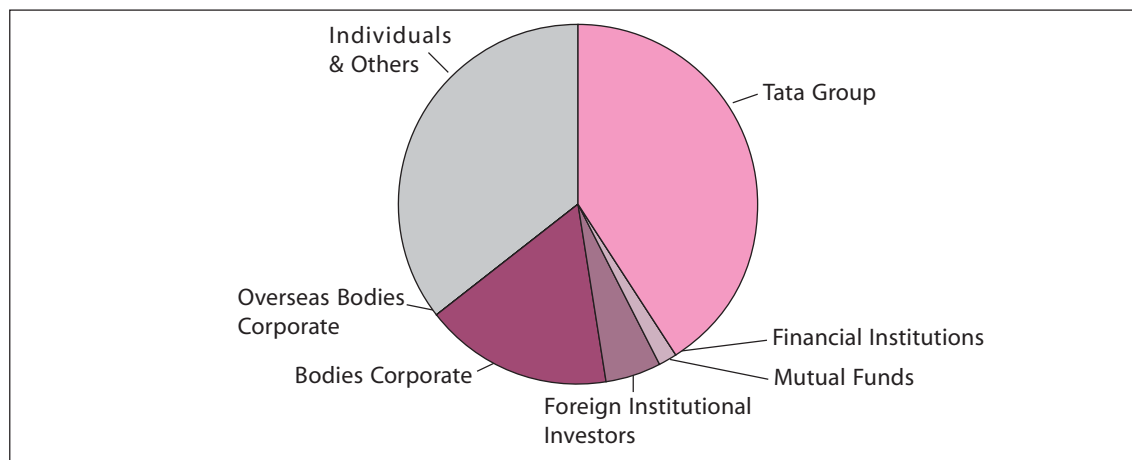
vi) Distribution of Shareholding

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2010

Share holding of nominal value of		Share holders		Amount (nominal value of shares)	
Rs.	Rs.	Number	% to Total	In Rs.	% to Total
Upto	5000	10827	82.10	17995110	5.29
5001	10000	1085	8.23	9313750	2.74
10001	20000	529	4.01	8454990	2.49
20001	30000	192	1.46	5067300	1.49
30001	40000	96	0.73	3551900	1.04
40001	50000	132	1.00	6292030	1.85
50001	100000	162	1.23	12255480	3.60
100001	And above	164	1.25	277029150	81.49
Total		13187	100.00	339959710	100.00

CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2010

Sr.No.	Particulars	No. of Holders	Holding/Shares held	% to Capital
1	Tata Group Companies	2	13970653	41.09
2	Financial Institutions	3	8000	0.02
3	Mutual Funds	9	485310	1.43
4	Foreign Institutional Investors (FIIs)	4	1760202	5.18
5	Bodies Corporate	576	5689844	16.74
6	Overseas Bodies Corporate	5	68200	0.20
7	Individuals & Others	12588	12013762	35.34
		13187	33995971	100.00



viii) Dematerialisation of shares :

3,27,28,523 Equity shares representing 96.27% of the total Equity Capital of the Company are held in dematerialized form with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as on March 31, 2010.

ix) Outstanding GDR/ADR/ Warrants or any Convertible Instruments

Conversion date and likely impact on equity

: NIL

x) Plant Location

: Village Dhaula Kuan, Paonta Sahib, District Sirmour – 173025 Himachal Pradesh.

xi) Address for Investor Correspondence

: Skyline Financial Services Pvt. Ltd
246, Sant Nagar, East of Kailash, New Delhi – 110 065
Tel. 011-26282682, 26292683, Fax 011- 26292681
E-Mail: admin@skylinerta.com

Contact

: Mr Subhash Agarwal
Mr Virender Rana

Shareholders' Relation Cell

: Mr A P K Chettiar,
General Manager (Legal) & Company Secretary
Mount Everest Mineral Water Limited, Ballard House, Level 1,
Adi Marzban Path, Ballard Estate, Mumbai – 400 038
Email : apk.chettiar@memw.com
Mr Santosh Kumar
Email: santosh.kumar@memw.com

12. Top Ten Shareholders

As on March 31, 2010 the Top Ten shareholders of the Company were the following

Sr. No.	Name of the Shareholder	No. of Shares	Percentage of shareholding
1.	Tata Tea Limited	13910653	40.92
2.	Gujarat Fluoro Chemicals Ltd.	2335592	6.87
3.	Foresight Holdings Private Limited	2250000	6.62
4.	Morgan Stanley Dean Witter Mauritius Co. Ltd.	1468620	4.32
5.	Mr Vinod Sethi	860439	2.53
6.	Rahi Estates Private Limited	273978	0.81
7.	DSP Blackrock Tax Saver Fund	273710	0.81
8.	Mr Ashwin Kedia	268571	0.79
9.	INOX Leasing and Finance Limited	255400	0.75
10.	Derive Trading Private Limited	219000	0.64

13. Auditors Certificate on Corporate Governance

As required under Clause 49 of the Listing Agreement, the Auditors' certificate on compliance with the corporate governance norms is attached.

14. Insider Trading Regulations

After the Securities and Exchange Board of India had amended the Insider Trading Regulations in February 2002, Tata Group has bought out the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure practices which your Company has adopted. Mr S Y Raman, Chief Financial Officer, of the Company is the Compliance Officer for the purpose of these regulations.

15. Declaration by the CEO on Code of Conduct as required by clause 49.1.(D)(ii)

This is to declare that the Company has received affirmation of compliance with the applicable Code of Conduct from the Directors and Senior Management personnel of the Company in respect of the financial year 2009-10.

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CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT OF THE STOCK EXCHANGES IN INDIA

To The Members of Mount Everest Mineral Water Limited

We have examined the compliance of conditions of Corporate Governance by Mount Everest Mineral Water Limited for the year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SNB Associates
Chartered Accountants

(S Lakshamanan)
Partner
M. No. 20045

Mumbai
17th May, 2010

AUDITORS' REPORT

TO THE MEMBERS OF MOUNT EVEREST MINERAL WATER LIMITED.

We have audited the attached Balance Sheet of MOUNT EVEREST MINERAL WATER LTD as at 31st March, 2010 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the 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 misstatement. 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) (Amendment) Order, 2004 ('The Order') issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956 ('The Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the attached Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to in paragraph above, we report that :

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit ;
- (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books ;
- (c) The Balance Sheet, Profit & Loss Account and Cash Flow statement dealt with by this report are in agreement with books of account ;
- (d) In our opinion, the Balance Sheet ,the Profit and Loss Account and Cash Flow statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956;
- (e) On the basis of written representation received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit and Loss Account and Cash Flow statement, read together with the Significant Accounting policies and notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance sheet, of the state of affairs of the Company as at 31st March, 2010 and
 - (ii) in the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date.
 - (iii) in the case of the Cash Flow statement of the Cash Flows for the year ended on that date.

**For SNB Associates
Chartered Accountants**

**(S. Lakshmanan)
Partner
Membership No. 20045
Firm Registration No. 015682N**

**Mumbai
14th May, 2010**

MOUNT EVEREST MINERAL WATER LIMITED

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ANNEXURE TO THE AUDITORS' REPORT

To the Members of Mount Everest Mineral Water Limited.

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) Physical verification of Fixed Assets is carried out by the management with a planned programme of verification, which, in our opinion, provides for physical verification of all Fixed Assets at reasonable intervals. The physically verified assets have been compared with the book records and discrepancies noticed on such verification were not material and have been properly dealt with in books of accounts.
- c) The Company has not disposed off substantial part of its fixed assets during the year.
- ii) a) The inventory of the Company has been physically verified by the management during the year. In our opinion, the frequency of physical verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management were found reasonable and adequate in relation the size of the Company and nature of its business.
- c) On the basis of our examination of records of inventory, in our opinion, the Company has maintained proper records of inventory and the discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.
- iii) a) In our opinion and according to the information and explanations given to us, the Company has neither granted nor taken any loan, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- b) As the Company has not granted or taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act paragraph iii(b), iii(c) and iii(d) are not applicable.
- iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchases of inventory, fixed assets and for the sale of goods. Further on the basis of our examinations and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major continuing weaknesses in the aforesaid internal control systems.
- v) a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 exceeding the value of Rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposit within the meaning of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- vii) In our opinion, the Company has an Internal Audit System commensurate with the size of the Company and nature of its business.
- viii) As explained to us, the Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for any of the products of the Company.

- ix) a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth tax, Service Tax, Sales Tax, Excise Duties, Custom Duty, Cess and Other Statutory dues have been regularly deposited with the appropriate authorities. According to the explanations given to us, no undisputed arrears of Statutory dues were outstanding as at March 31, 2010 for a period of more than six months from the date they became payable.
- b) According to the records of the Company, there were no dues in respect of Sales Tax, Income Tax, Customs, Wealth Tax, Service Tax, Excise duty and other statutory dues which were not deposited on account of disputes.
- x) The Company has accumulated losses as at the 31st March 2010 which are more than 50% of its "net worth" and it has incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.
- xi) According to the information and explanations given to us, there were no dues payable to any financial institutions or Banks or debenture holders during the year.
- xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statute as specified under paragraph xiii (a), xiii(b) , xiii(c) and xiii(d) of the Order are not applicable to the Company.
- xiv) In our opinion and according to the information and explanations given to us, the Company is not dealer or trader in securities. The Investments are held by it in its own name.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or Financial Institutions.
- xvi) According to the information and explanations given to us, the Company has not taken any new term loans from Bank and/or Financial Institutions during the year hence paragraph xvii of the Order is not applicable to the Company.
- xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, there were no funds raised on a short term basis which have been used for long term investment.
- xviii) According to the information and explanations given to us, the Company has not made, any preferential allotment of shares covered in the register maintained under Section 301 of the Companies Act, 1956 during the year, hence paragraph xviii of the order is not applicable.
- xix) As the Company has no debentures outstanding at any time during the year, paragraph (xix) of the Order is not applicable to the Company.
- xx) The Company has not raised any money by public issue during the year hence, paragraph xx of the Order is not applicable.
- xxi) According to the information and explanations given to us, during the year, no fraud on or by the Company has been noticed or reported.

Mumbai
14th May, 2010

For SNB Associates
Chartered Accountants

S. Lakshmanan)
Partner
Membership No. 20045
Firm Registration No. 015682N

MOUNT EVEREST MINERAL WATER LIMITED

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BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule No.	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS:			
SHARE CAPITAL	1	339,959,710	339,959,710
RESERVES & SURPLUS		868,872,299	868,872,299
Total		1,208,832,009	1,208,832,009
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block		252,522,151	247,219,297
Less: Depreciation		120,257,268	97,317,921
Net Block		132,264,883	149,901,376
Capital Work - in Progress		28,592,940	16,940,838
TOTAL FIXED ASSETS	2	160,857,823	166,842,214
INVESTMENTS	3	190,201,827	57,776,989
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	4	20,956,707	22,291,499
Sundry Debtors	5	55,973,952	42,064,165
Cash & Bank Balances	6	2,724,610	5,708,569
Other Current Assets	7	2,176,135	8,534,658
Loans & Advances	8	224,451,584	479,774,799
		306,282,988	558,373,690
LESS : CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	9	26,402,090	22,663,923
Provisions		61,219,023	49,579,923
		87,621,113	72,243,846
NET CURRENT ASSETS		218,661,875	486,129,844
Profit & Loss Account (Dr.Balance)		639,110,484	498,082,962
Total		1,208,832,009	1,208,832,009
Notes on Accounts	19		

Schedules referred to above form an integral part of the Balance Sheet

As per our Report of even date attached

For SNB Associates
Chartered Accountants

S Lakshmanan
Partner
M.No.20045

Place: Mumbai
Date: May 14, 2010

For and on behalf of the Board

P T Siganporia
Chairman
Salim Govani
Vinod Sethi
Pradeep Mallick
Joseph Kodianthara
Ajit Shah
Ranjit Barthakur
V Subramanian
Suresh Borkar

Pradeep Poddar
Managing Director

Abanti Sankaranarayanan
Executive Director

A P K Chettiar
GM - Legal & Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule No.	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
<u>INCOME</u>			
Sales		190,761,384	219,942,894
Other Income	10	52,716,798	60,022,692
		243,478,182	279,965,586
<u>EXPENSES</u>			
Materials Consumed	11	72,805,911	108,355,212
(Increase)/Decrease in Stocks	12	272,220	(3,035,217)
Trading Purchases		-	(8,620,082)
(Increase)/Decrease in Trading Stocks	13	-	8,620,082
Manufacturing Expenses	14	13,885,222	18,285,509
Salaries, Wages & Employees' Benefits	15	76,483,304	81,104,736
Other Expenses	16	61,506,494	104,679,844
Freight & Forwarding Expenses		51,748,943	55,450,613
Selling Expenses	17	42,348,508	43,401,992
Marketing Expenses	18	42,451,388	136,172,464
Depreciation		23,003,714	13,314,521
		384,505,704	557,729,674
Loss for the year before Tax		(141,027,522)	(277,764,088)
Provision for Taxation (FBT)		-	1,915,319
Loss for the year after Tax		(141,027,522)	(279,679,407)
Less: Loss Brought forward from Previous year		(498,082,962)	(218,403,555)
Net Loss carried to Balance Sheet		(639,110,484)	(498,082,962)
Basic & Diluted Earnings Per Share (Face Value Rs. 10/-each)		(4.15)	(8.23)
Notes on Accounts	19		

Schedules referred to above form an integral part of the Profit & Loss Account

As per our Report of even date attached

For SNB Associates
Chartered Accountants

S Lakshmanan
Partner
M.No.20045

Place: Mumbai
Date: May 14, 2010

For and on behalf of the Board

P T Siganporia
Chairman
Salim Govani
Vinod Sethi
Pradeep Mallick
Joseph Kodianthara
Ajit Shah
Ranjit Barthakur
V Subramanian
Suresh Borkar

Pradeep Poddar
Managing Director

Abanti Sankaranarayanan
Executive Director

A P K Chettiar
GM - Legal & Company Secretary

MOUNT EVEREST MINERAL WATER LIMITED

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
A) Cash Flow from Operating Activities		
Net Loss for the year before Tax	(141,027,522)	(277,764,088)
	<u>(141,027,522)</u>	<u>(277,764,088)</u>
<u>Adjustments for:-</u>		
Depreciation	23,003,714	13,314,521
Provision for Doubtful Debts	2,137,000	7,937,279
Provision for Contingencies	-	1,440,618
Sundry Balances Written Back	(569,174)	(1,449,165)
Assets & Consultancy Expenses Written off	462,949	6,133,594
Sundry Balances Written off	4,167	1,302,904
Unrealised Exchange Loss	67,570	-
Dividend Income	(1,632,688)	(43,181,095)
Income from sale / switch of Investments in Mutual Funds	(137,282)	(529,245)
Interest Income	(38,348,949)	(14,436,799)
Operating Profit Before Working Capital Changes	<u>(156,040,215)</u>	<u>(307,231,476)</u>
<u>Adjustment for:-</u>		
Decrease/(Increase) in Trade Debtors	(16,046,787)	9,918,853
Decrease/(Increase) in Loans & Advances	(19,988,178)	34,895,684
Decrease/(Increase) in Inventories	1,334,792	7,456,577
Increase/(Decrease) in Current Liabilities & Provisions	15,878,873	8,984,704
Cash Generated from Operation	<u>(174,861,515)</u>	<u>(245,975,659)</u>
Taxes Paid	(9,666,678)	(2,441,742)
Net Cash inflow/(outflow) from Operating Activities	<u>(184,528,193)</u>	<u>(248,417,401)</u>
B) Cash Flow from Investment Activities		
Investments in Intercompany Deposits	285,000,000	(450,000,000)
Acquisition of Fixed Assets / Capital Advances	(17,533,370)	(14,030,655)
Interest Received	44,707,472	5,985,001
Dividend Income	1,632,688	43,181,095
Income from Investments in Mutual Funds	137,282	529,245
Proceeds from redemption of Mutual Funds (Net of Purchases)	(132,424,838)	648,405,835
Capital Subsidy received	-	2,223,978
Net Cash inflow/(outflow) from Investment Activities	<u>181,519,234</u>	<u>236,294,499</u>

	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
C) Cash Flow from Financing Activities	-	-
Net Cash inflow/(outflow) from Financing Activities	-	-
Net increase/(decrease) in Cash & Equivalents(A+B+C)	(3,008,959)	(12,122,903)
<u>Cash and Cash Equivalents</u>		
At the beginning of the year	5,053,569	17,176,471
At the end of the year (see Note 2 below)	2,044,610	5,053,569

- Notes: 1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard on Cash Flow Statements (AS-3) issued by the Institute of Chartered Accountants of India.
- 2) The above cash & cash equivalent balances do not include bank deposits amounting to Rs.6,80,000/- (Previous Year 6,55,000/-) which are given as a lien to the bank and hence not considered as cash & cash equivalent.
- 3) Previous year figures have been regrouped/rearranged wherever necessary.

For SNB Associates
Chartered Accountants

S Lakshmanan
Partner
M.No.20045

Place: Mumbai
Date: May 14, 2010

For and on behalf of the Board

P T Siganporia
Chairman
Salim Govani
Vinod Sethi
Pradeep Mallick
Joseph Kodianthara
Ajit Shah
Ranjit Barthakur
V Subramanian
Suresh Borkar

Pradeep Poddar
Managing Director

Abanti Sankaranarayanan
Executive Director

A P K Chettiar
GM - Legal & Company Secretary

MOUNT EVEREST MINERAL WATER LIMITED

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SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED		
3,50,00,000 (Previous Year 3,50,00,000) Equity Shares of Rs.10/- each	<u>350,000,000</u>	<u>350,000,000</u>
ISSUED, SUBSCRIBED & PAID UP		
3,39,95,971 (Previous Year 3,39,95,971) Equity Shares of Rs.10/- each fully paid in cash.	<u>339,959,710</u>	<u>339,959,710</u>
Total	<u>339,959,710</u>	<u>339,959,710</u>
No. of Shares held by Holding Company Tata Tea Ltd 1,39,10,653 (Previous Year 1,22,35,653).		

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET (Contd.)

**SCHEDULE 2
FIXED ASSETS :-**

(Amount in Rs.)

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 01-Apr-09	Additions during Yr.	Deduct./ Adjusted	As at 31-Mar-10	Upto 01-Apr-09	For the Year	Deduct./ Adjusted	Upto 31-Mar-10	As at 31-Mar-10	As at 31-Mar-09
TANGIBLE										
Lease Hold Land	1,651,170	-		1,651,170	-	-	-	-	1,651,170	1,651,170
Free hold land	2,323,104	-		2,323,104	-	-	-	-	2,323,104	2,323,104
Building	33,720,239	595,525		34,315,764	10,022,430	1,126,310		11,148,740	23,167,024	23,697,809
Plant & Machinery	193,615,094	955,325		194,570,419	82,607,713	20,118,097		102,725,810	91,844,609	111,007,381
Electrical & Mechanical Installations	5,180,161			5,180,161	2,351,537	246,058		2,597,595	2,582,566	2,828,624
Furniture & Fixtures	1,025,171	814,128		1,839,299	247,870	88,463		336,333	1,502,966	777,301
Office & Other Equipments	5,698,219	446,755	578,414	5,566,560	1,334,928	654,523	115,465	1,873,986	3,692,574	4,363,291
Vehicles	1,687,623	3,069,535		4,757,158	289,740	357,658		647,398	4,109,760	1,397,883
INTANGIBLE										
Capitalised software	2,318,516	-	-	2,318,516	463,703	463,703	-	927,406	1,391,110	1,854,813
CURRENT YEAR	247,219,297	5,881,268	578,414	252,522,151	97,317,921	23,054,812	115,465	120,257,268	132,264,883	149,901,376
PREVIOUS YEAR	243,559,205	15,777,050	12,116,958 \$	247,219,297	88,134,066	13,314,521	4,130,666	97,317,921	28,592,940	16,940,838
Add :-Capital Work -in Progress #								Total	160,857,823	166,842,214

\$ Deletion in Plant & Machinery includes the capital subsidy of Rs.Nil. (Previous Year Rs.22,23,978/-) received from the Himachal Pradesh Government for setting the plant in specified area. Also refer note no. 2 of Schedule 19 # Including Current Year Rs. 6,16,887/- (Previous Year Rs. 23,51,375/-) for capital advances.

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SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET (Contd.)

SCHEDULE - 3

INVESTMENTS - CURRENT NON TRADE (UNQUOTED) MUTUAL FUNDS (Units of Rs. 10/- each)

	As at 31st March, 2010		As at 31st March, 2009	
	No of Units	Rs.	No of Units	Rs.
01 1310 ICICI Prudential Interval Fund II Qly Interval	5,000,000	50,000,000	-	-
02 1525 ICICI Prudential Flexible Income Plan	117,782	20,137,282	-	-
03 Kotak Quartely Interval Plan-Series 8 Growth	6,434,020	70,064,545	-	-
04 UTI Fixed Income Interval Fund-Mthly Interval Plan	4,157,658	50,000,000	-	-
05 TFLD Tata Floater Fund Daily Dividend	-	-	5,757,203	57,776,989
		190,201,827		57,776,989
	No of Units	Value	No of Units	Value
Current Investments bought & sold during the year				
01 TFLD Tata Floater Fund Daily Dividend	58,128	583,346	-	-
02 Kotak Flexi Debt Scheme Institutional- Daily Dividend	26,340,329	264,654,455	-	-
03 Kotak Liquid (Institutional Premium) - Daily Dividend	14,721,473	180,015,648	-	-
04 M17DD Fortis Money Plus Institutional Plan Daily Dividend	18,283,821	182,894,887	-	-
05 1565 ICICI Prudential Liquid Super Institutional Plan Growth	956,838	130,000,000	-	-
06 1525 ICICI Prudential Flexible Income Plan Premium Growth	760,453	130,014,831	-	-
07 B503DD Birla Sun Life Cash Plus-Instl- Daily Dividend Reinvestment			39,563	396,401
08 B503DD Birla Sun Life Cash Plus-Instl- Daily Dividend Reinvestment			5,028,870	50,386,759
09 B890D BSL Qtly Interval Series 5 Dividend Reinvestment			31,794	317,939
10 B890D BSL Qtly Interval Series 5 Dividend Reinvestment			10,156,161	101,562,000
11 IPQRD ICICI Prudential Interval Fund Quarterly Interval Plan 1 Retail Dividend Pay Dividend			15,000,000	150,000,000
12 Principal Cash Management Fund			15,000,000	150,000,000
13 Tata Fixed Horizon Fund Series 17 Scheme E-ID-Periodic			121,984	1,237,966
14 Tata Fixed Horizon Fund Series 17 Scheme E-ID-Periodic			10,074,778	100,748,000
15 TFIQB TATA Fixed income Portfolio Fund Scheme B2 Institutional			104,370	1,105,739
16 TFIQB TATA Fixed income Portfolio Fund Scheme B2 Institutional			5,082,430	50,824,500
17 TFLD Tata Floater Fund Daily Dividend			45,528,975	456,910,578
18 TFRLB Tata Floating Rate Fund Long Term Income / Bonus			188,011	2,021,286
19 TFRLB Tata Floating Rate Fund Long Term Income / Bonus			9,909,170	100,209,635
20 S397 Sundram BNP Paribas FTP 90 Days Series 5 Inst- Dividend			11,000,000	110,000,000
21 B332DD Birla Sun Life Liquid Plus			10,209,901	102,168,438

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET (Contd.)

SCHEDULE - 3

**INVESTMENTS - CURRENT NON TRADE (UNQUOTED)
MUTUAL FUNDS (Units of Rs. 10/- each)**

Current Investments bought & sold during the year

	No of Units	Value	No of Units	Value
22			35,147,875	371,139,784
23			5,034,806	52,859,649
24			3,705,050	37,051,126
25			19,653,101	196,555,007
26			10,192,576	101,948,760
27			15,476,312	154,763,116
28			5,000,000	50,000,000
29			11,238,794	110,000,000
30			5,105,831	90,018,404
31			5,144,415	51,064,644
32			9,913,849	54,127,476
33			8,979,392	155,063,505
34			2,048,748	20,391,800
35			2,503,120	30,593,031
36			15,376,950	150,000,000
37			98,985	110,306,448
38			4,965,485	50,056,558
39			5,000,000	50,000,000
40			3,704,606	37,057,174
41			4,997,631	50,000,000
42			2,044,273	20,487,477

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SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET (Contd.)

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE - 4		
INVENTORIES		
(As taken valued & certified by the Management)		
Stores, Spares & Consumables	4,394,713	4,640,649
Packing Materials	1,723,386	2,350,302
Raw Materials	2,287,376	2,477,096
Finished Goods	12,551,232	12,488,148
Stock in Process	-	335,304
Total	20,956,707	22,291,499
SCHEDULE - 5		
SUNDRY DEBTORS		
Debt outstanding for a period exceeding six months		
Secured (Considered Good)	299,110	272,022
Unsecured		
Considered Good	11,761,475	18,791,073
Considered Doubtful	29,132,597	26,995,597
Total A	41,193,183	46,058,692
Others		
Secured (Considered Good)	2,630,890	2,077,978
Unsecured		
Considered Good #	41,282,477	20,923,092
Considered Doubtful	-	-
Total B	43,913,367	23,001,070
Total A+B	85,106,550	69,059,762
Less :- Provision for Doubtful Debts	29,132,597	26,995,597
Total	55,973,952	42,064,165

includes amount due from Holding Company
Rs.2,00,23,987/- (Previous Year Rs.Nil /-)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET (Contd.)

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
<u>SCHEDULE - 6</u>		
CASH & BANK BALANCES		
Cash & Cheques on hand	52,422	1,244,131
Balances with Scheduled Banks		
Current Accounts	1,992,188	3,809,438
Deposits Accounts *	680,000	655,000
	<u>2,724,610</u>	<u>5,708,569</u>
* Given as security for bank guarantee given to Sales Tax & State Excise Authorities.		
<u>SCHEDULE - 7</u>		
OTHER CURRENT ASSETS		
Interest Receivable on Inter Corporate Deposits / Fixed Deposits with Banks	2,176,135	8,534,658
Total	<u>2,176,135</u>	<u>8,534,658</u>
<u>SCHEDULE - 8</u>		
LOANS & ADVANCES		
(Unsecured, considered Good)		
Advances Recoverable in Cash or in kind or for value to be received #	25,725,309	4,741,865
Inter Corporate Deposits	165,000,000	450,000,000
Security Deposits & Earnest Money	16,718,000	9,762,780
Loans to Staff	146,380	334,631
Advance Tax & TDS	16,861,895	6,323,485
Claims Receivable	-	8,612,038
Total	<u>224,451,584</u>	<u>479,774,799</u>
# includes amount due from Holding Company Rs.1,33,47,966/- (Previous Year Rs.5,79,427/-)		

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SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET (Contd.)

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE - 9		
CURRENT LIABILITIES & PROVISIONS		
(A) CURRENT LIABILITIES		
Sundry Creditors	-	956,249
Due to Micro Small & Medium Enterprises	-	11,802,598
Others	15,396,169	7,555,076
Sundry Creditors for Expenses	8,575,921	2,350,000
Deposit from C&F Agents	2,430,000	
Total A	26,402,090	22,663,923
(B) PROVISIONS		
For FBT	3,451,244	3,451,244
For Retirement Benefit	8,765,107	7,450,321
For Discount & Rebate	25,894,322	18,861,950
For Others	23,108,350	19,816,408
Total B	61,219,023	49,579,923
Total A+B	87,621,113	72,243,846

SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT

	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
SCHEDULE - 10		
OTHER INCOME		
Dividend Income - Non Trade (Current)	1,632,688	43,181,095
Interest on Inter Corporate Deposits / Fixed Deposits with Bank (Including TDS Current Year Rs. 28,71,902/- Previous Year Rs. 12,912/-)	38,339,323	14,300,326
Product Development Fees	10,000,000	-
Profit on sale / switch of Investments (net)	137,282	529,245
Interest on Housing Loan	9,626	15,204
Interest on Income Tax Refund	-	121,269
Exchange Fluctuation Gain	590,795	-
Sale of Scrap	1,161,940	314,315
Sundry Balances Written Back	569,174	1,449,165
Misc. Receipts	275,970	112,073
Total	52,716,798	60,022,692

SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT (Contd.)

	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
SCHEDULE - 11		
MATERIALS CONSUMED		
Raw Materials Consumed		
Opening Stock	2,477,096	4,422,693
Add : Purchases	46,366,925	71,817,741
	<u>48,844,021</u>	76,240,434
Less : Closing Stock	2,287,376	2,477,096
	<u>46,556,645</u>	<u>73,763,338</u>
Packing Materials consumed		
Opening Stock	2,350,302	3,288,432
Add :Purchases	25,622,350	33,462,802
	<u>27,972,652</u>	36,751,234
Less : Closing Stock	1,723,386	2,350,302
	<u>26,249,266</u>	34,400,932
Consumable Stores	-	190,942
Total	<u>72,805,911</u>	<u>108,355,212</u>
SCHEDULE -12		
INCREASE/DECREASE IN STOCKS		
OPENING STOCK		
- Finished Goods	12,488,148	9,545,765
- WIP (Stock-in-Process)	335,304	232,227
	<u>12,823,452</u>	9,788,235
CLOSING STOCK		
- Finished Goods	12,551,232	12,488,148
- WIP (Stock-in-Process)	-	335,304
- Scrap & Wastage	-	-
	<u>12,551,232</u>	12,823,452
NET INCREASE/(DECREASE) IN STOCK	<u>(272,220)</u>	<u>3,035,217</u>
SCHEDULE - 13		
INCREASE/DECREASE IN TRADING STOCKS		
OPENING STOCK	-	8,620,082
CLOSING STOCK	-	-
NET INCREASE/(DECREASE) IN TRADING STOCK	<u>-</u>	<u>(8,620,082)</u>

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SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT (Contd.)

	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
SCHEDULE - 14		
MANUFACTURING EXPENSES		
Power & Fuel	8,208,016	13,139,466
Laboratory & Testing Expenses	675,736	728,744
Product Development Expenses	480,708	-
ISO Marking Fee	265,072	326,826
Repairs & Maintenance		
- Plant & Machinery	3,099,578	3,110,192
- Building	326,402	99,530
	3,425,980	3,209,722
Factory General Expenses	829,710	880,751
Total	13,885,222	18,285,509
SCHEDULE - 15		
SALARIES, WAGES, GRATUITY & EMPLOYEE BENEFITS *		
Salaries, Wages, Allowances & Bonus	70,730,007	74,197,900
Staff Welfare & Uniform Expenses	2,268,530	2,091,899
Employers Cont. to EPF & Admn. Charges	2,966,524	3,466,662
Employers Cont. to ESI & MLWF	294,636	362,853
Gratuity Payments & Contribution to Gratuity Fund	223,607	985,422
Total	76,483,304	81,104,736

* Including Rs.2,16,59,278/- for Salary & Allowances and other perquisites of Managing Director/ Executive Director (Previous Year Rs.1,86,72,959/-) - Refer Note 9(B) Schedule-19

* The above includes amounts paid to the Holding Company/ Associate Company for staff on Deputation.

SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT (Contd.)

	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
SCHEDULE - 16		
OTHER EXPENSES		
Financial Expenses	390,483	476,115
Communication Expenses	3,224,601	4,472,402
Rent & Hire Charges	17,560,320	22,366,048
Rates & Taxes	6,326,441	6,129,780
Insurance	395,301	360,438
Printing, Stationery and Books & Periodicals	1,368,867	1,756,595
Office Maintenance & General Expenses	4,023,719	3,419,248
Travelling & Conveyance - Others	4,781,154	12,657,796
Directors Travelling	2,090,703	3,094,753
Vehicle Running, Maintenance & Repairs Expenses	435,223	501,065
Legal & Professional Charges	15,103,725	# 30,914,751
Payment to Auditors (See Note No.B(3) Schedule 20)	810,261	568,741
Bad Debts written off	-	52,410,339
Less : Provision for Discount & Rebate Written back	-	50,509,122
	-	1,901,217
Provision for Doubtful Debts	2,137,000	7,937,279
Provision for Contingencies	-	1,440,618
Assets Written off	-	2,027,613
Exchange Fluctuation (Loss)	-	85,252
Sundry Balance written off	4,167	1,302,904
Charity & Donation	38,400	570,110
Miscellaneous Expenses	2,816,129	2,697,119
Total	61,506,494	104,679,844

Rs.1,17,84,086/- being Professional Fees included in Capital Work in Progress written off in Previous Year.

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SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT (Contd.)

	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
SCHEDULE - 17		
SELLING EXPENSES		
Commission to Consignee Agents	14,264,395	12,183,262
Discounts, Rebates, Claims & Commission	16,094,110	12,786,226
Selling Expenses	11,990,003	18,341,262
Others	-	91,242
Total	42,348,508	43,401,992
SCHEDULE - 18		
MARKETING EXPENSES		
Advertisement & Publicity Expenses	33,481,698	113,120,141
Business & Sales Promotion	1,117,697	1,783,417
Marketing Consultancy Expenses	3,563,675	9,056,148
Event / Launching Expenses	4,288,318	12,212,758
Total	42,451,388	136,172,464

The natural mineral water



MOUNT EVEREST MINERAL WATER LIMITED

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(f) Deferred Taxation

Deferred tax on timing difference between taxable income & accounting income is accounted for using tax rates and tax laws enacted or substantially enacted on balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty of realization.

(g) Revenue Recognition

(i) Sales :

Sales are recognized on passing of property in goods i.e. delivery as per terms of sale.

(ii) Other Income:

Interest income and income from investments are accounted on accrual basis.

Revenue from services rendered is recognized on an accrual basis.

(h) Employee Benefits

(1) Post retirement employee benefits:

Post retirement benefits like Provident Fund and Defined Contribution to Superannuation schemes, in the nature of defined contribution plans, are maintained by the Company. Contributions required are recognized in the Profit & Loss Account on an accrual basis.

Liabilities under the defined benefit schemes are determined through independent actuarial valuation at year end and charge recognized in the books. For schemes, where recognized funds have been set up, annual contributions determined as payable in the actuarial valuation report are contributed. Actuarial gains and losses are recognized in the Profit & Loss Account.

(2) Other Employees Benefits:

Other employee benefits are accounted for on accrual basis. Liabilities for Compensated absences are determined based on independent actuarial valuation at year end and charge recognized in the profit and loss account.

b) NOTES ON ACCOUNTS

1. Contingent Liability not provided for in respect of:
 - a) Claims against the company not acknowledged as debt Rs.14.50 lacs (Previous Year Rs.14.71 lacs)
 - b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net off advances) Rs.10.59 lacs (Previous year Rs.62.86 lacs)
2. The Company has received a central capital investment subsidy of Rs. Nil (Previous Year Rs.22,23,978/-) from the Government of Himachal Pradesh during previous year. The assets declared under the scheme representing Plant & Machinery valued at Rs. 1,48,26,520/- have been hypothecated to Director of Industries Himachal Pradesh Government as security for non disposal of these assets for a period of 5 years as per the said agreement.
3. Auditors' Remuneration:-

Particulars	2009-10	2008-09
Audit Fees	3,25,000	3,25,000
Tax Audit Fee	50,000	50,000
Certificate / Limited Review Fees	1,50,000	1,05,000
Service Tax & Expenses reimbursement	2,85,261	88,741
Total	8,10,261	5,68,741

4. (i) Utilisation of Funds received on preferential allotment

	2009-10	2008-09
		Rs. lacs
Opening Balance invested in		
Mutual Funds	577.77	7,061.83
Inter Corporate Deposits	4,500.00	—
	5,077.77	7,061.83
<i>Less:</i> Utilised		
Fixed Assets	175.33	140.31
Modernization & Manufacturing Facilities	79.62	133.96
Publicizing Company's Products	335.74	1,144.68
Widening Distribution Network	108.00	189.82
Developing overseas market	59.96	85.58
Developing New Product	19.25	—
Working Capital	747.85	289.71
	1,525.75	1,984.06
<i>Balance:</i> invested in Mutual Funds	1,902.02	577.77
invested in Inter Corporate Deposits	1,650.00	4,500.00

5. In the opinion of the Board of Directors, Current Assets, Loans and Advances have realisable value at least equal to amount stated in Balance Sheet in the ordinary course of business.

6. Due to Small Scale Undertakings

According to the information available with the company regarding suppliers who constituted a "Small Scale Undertaking" there were no amounts due for more than 30 days for which any claim has been lodged by the supplier upto the date of balance sheet.

Amounts due to Micro, Small and Medium Enterprises

Disclosure of amounts due to Micro, Small and Medium Enterprises under current liabilities is based on the information with the company regarding status of the supplier as defined under "Micro, Small and Medium Enterprises Development Act, 2006". As certified by the management not verified by us accounts overdue as on March 31, 2010 to Micro, Small and Medium Enterprises on account of principal amount together with interest aggregate to Rs. Nil (Previous Year Nil)

7. Deferred Taxation

No provision has been made in respect of deferred tax assets as there is no virtual certainty of having adequate taxable profit in the near future to realize such assets.

8. Earning per share

Particulars	2009-10	2008-09
Profit after tax for the year	(14,10,27,522)	(27,96,79,408)
No. of shares at beginning of the year	3,39,95,971	3,39,95,971
Weighted Average No. of Shares as at Year end	3,39,95,971	3,39,95,971
Earnings (in Rs.) per Share (Nominal Value of Rs.10/- per share)		
- Basic & diluted Earnings per share (Rs)	(4.15)	(8.23)
	(4.15)	(8.23)

The Earning per Share has been calculated based upon the Weighted Average number of shares in accordance with AS-20.

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9. Related Party Disclosure under AS-18,

Related parties with whom transactions have taken place during the year

Holding Company : Tata Tea Ltd

Key Managerial Personnel : Mr. Pradeep Poddar Managing Director & CEO

Ms. Abanti Sankaranarayanan Executive Director

(A) Tata Tea Limited		Rs lacs
<i>Nature of relationship - Holding Company</i>	2009-10	2008-09
Re-imburements	578.21	Nil
Product Development Fees.	110.30	Nil
Advisory & consultancy services	99.93	Nil
Amount Paid	Nil	42.06
Sale of Fixed Assets	4.79	Nil
Recovery of Claim	0.42	Nil
Amount Received	-338.93	-225.00
Sales & Service Commission	-86.98	-21.52
Expenses paid on our behalf	-39.82	-58.86
Closing Balance	333.72	5.79

(B) (i) Remuneration / Reimbursement to the Managing Director & Executive Director

Amount in Rs.

Particulars	Mr Pradeep Poddar	Ms Abanti Sankaranarayanan
Salary including perquisites	1,30,75,593 (120,89,606)	76,44,021 (57,80,618)
Contribution to Provident Fund	4,32,000 (3,47,760)	2,38,882 (2,25,360)

The above table does not include the contribution to Gratuity, as the same is not separately available.

Note: (i) Relationships with Related parties are specified by the management and relied upon by the Auditors.

(ii) Figures in brackets are in respect of the previous year.

10. Applicable disclosures as per AS-15 (Revised).

The Company has calculated the various benefits provided to employees as under :

A) Defined Contribution Plans

Provident Fund including Employee pension scheme

During the year Company has recognized the following amounts in Profit & Loss Account for the year ended March 31, 2010

Employers' Contribution to Provident Fund Rs.29,66,524/- (Previous Year Rs.34,66,662)

B) Defined Benefit Plans
Defined Benefit Plans - Gratuity

	2009-10	2008-09
I. Change in Benefit Obligation	Rs.	Rs.
Liability at the beginning of the year	2,478,502	2,532,957
Cost of Benefit increase	-	-
Interest cost	139,601	238,657
Current Service Cost	681,782	696,885
Benefit Paid	(150,277)	(664,154)
Actuarial (gain)/ loss on obligations	(300,973)	(325,843)
Liability at the end of the year	2,848,635	2,478,502
II. Fair value of Plan Assets		
Fair value of Plan Assets at the beginning of the year	2,596,298	2,316,826
Expected Return on Plan Assets	233,865	190,002
Contributions	-	774,117
Benefit Paid	(150,277)	(664,154)
Actuarial gain/ (loss) on Plan Assets	-	(20,493)
Fair value of Plan Assets at the end of the year	2,679,886	2,596,298
III. Actual Return on Plan Assets		
Actual Return on Plan Assets	300,973	190,002
Expected Return on Plan Assets	-	190,002
Actuarial gain/ (loss) on Plan Assets	(300,973)	-
Actuarial (gain)/ loss on obligation	(300,973)	325,843
IV. Amount Recognised in the Balance Sheet		
Liability at the end of the year	2,848,635	2,478,502
Fair Value of Plan Assets at the end of the year	2,679,886	(2,596,298)
Funded Status	605,368	(117,796)
Unrecognised Actuarial Gain/ (Loss)	-	-
Net Assets/ (Liability) Recognised in the Balance Sheet	(605,368)	(117,796)
V. Expenses Recognised in the Income Statement		
Current Service Cost	681,782	696,885
Interest Cost	139,601	238,657
Cost of Benefit increased	-	-
Expected Return on Plan Assets	(233,865)	(190,002)
Net Actuarial (Gain)/ loss to be Recognised	(300,973)	(305,350)
Expense Recognised in P&L	286,545	440,190
VI. Actuarial Assumptions: For the year		
Discount Rate Current	8.00%	7.95%
Rate of Return on Plan Assets Current	7.50%	7.50%
Salary Escalation Current	5.00%	7.00%

Gratuity liability is funded with the Life Insurance Corporation of India and the information as made available by them has been included in the above tables.

As per para 132 of AS15 (R) no specific disclosures is required in respect compensated absence hence no details of the same have been given.

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11. There is no separate reportable segment, as the company is predominantly engaged in only one segment i.e. "Packaged Natural Mineral Water". Therefore, the provisions of AS-17 issued by the Institute of Chartered Accountants of India, pertaining to Segment Reporting, is not applicable. There is only one geographical segment in which the company operates i.e. India.
12. The various elements of the cost of the free goods, like raw material, packing materials, barrier tax, freight, overheads have been transferred to Selling expenses during the year.
13. Additional information as required by paragraph 3, 4(d) of Part-II, Schedule-VI of the Companies Act, 1956, as certified by the Management (Figures in brackets represent figures of Previous Year)
 - a) For Manufacturing activities
 - i) Details of product manufactured, turnover, opening stock, closing stock etc.

Natural Mineral water (Amount in Rs.) (Quantity in Thousands)

Opening Stock		Production	Turnover		Closing Stock	
Qty. in Bottles	Amt.(Rs.)	Qty. in Bottles	Qty. in Bottles	Amt.(Rs.)	Qty. in Bottles	Amt.(Rs.)
2,287.94 (2,261.76)	12,488,148 (9,545,765)	21,557.98 (37,020.47)	21,815.96 (36,994.29)	190,761,384 (219,942,894)	2,029.96 (2,287.94)	12,551,232 (12,488,148)

Empty PET Bottles (For Captive Consumption)

(Amount in Rs.) (Quantity in Thousands)

Particulars	Opening Stock		Production	Consumption*	Closing Stock **	
	Qty.	Amt.(Rs.)	Qty.	Qty.	Qty.	Amt.(Rs.)
Bottles	115.48 (70.03)	294,400 (175,368)	21,677.87 (37,268.50)	21,793.36 (37,223.05)	- (115.48)	- (294,400)
Caps	116.87 (247.21)	40,905 (56,859)	220.93 (1,909.87)	337.80 (2,040.21)	- (116.87)	- (40,905)

* Captive Consumption

** Shown as Stock-in-process and after writing off of unusable bottles.

(ii) Raw Material Consumed

Sl. No.	Particulars	Unit	2009-10		2008-09	
			Qty	Value (Rs.)	Qty*	Value (Rs.)
1	PET Chips	MT	5.98	466,575	66.61	5,125,882
2	HDPE Chips	MT	0.62	62,748	5.41	453,975
3	Master Batches	MT	-	4,398	0.11	15,441
4	Preform	Nos.**	21,621.68	42,383,692	35,319.30	58,553,044
5	Cap	Nos.**	21,588.45	7,123,566	36,597.13	12,259,766
6	Cost of Free Goods	***		(3,484,334)		(2,644,771)
Total				46,556,645		73,763,338

* including quantity & value of wastage.

** Nos taken in thousand.

*** represents goods distributed as free samples under various schemes transferred to Selling Expenses.

b) For Trading Activities

Quantity in Cases

Particulars	Opening Stock		Purchase		Turnover		Closing Stock	
	Qty.	Amt (Rs.)	Qty	Amt (Rs.)	Qty.	Amt (Rs.)	Qty.	Amt (Rs.)
Energy Drink	-	-	-	-	-	-	-	-
	(7,809.00)	(8,620,082)	(-7809*	(-86,20,082*	-	-	-	-

* Goods returned

	2009-10 (Rs.)	2008-09 (Rs.)
c) Expenditure in Foreign Currency :		
i) Professional Fees	3,35,68,563	1,26,68,138
ii) Advertisement	NIL	6,38,563
iii) Travelling Expenses	14,33,715	2,35,956
iv) Repairs & Maintenance Expenses	1,30,057	NIL
v) Selling Expenses	46,392	NIL
d) Value of Imports on CIF basis :		
i) Capital Goods	NIL	28,78,452
ii) Raw Material	53,42,275	10,12,058
e) Value of Imported & Indigeneous Raw Materials, Packing material, Spare Parts & Components Consumed and percentage thereof to the total Consumption:		

	Imported		Indigenous	
	Amount (Rs)	% of total consumption	Amount (Rs)	% of total consumption
Raw Materials	27,95,424 (57,05,118)	6% (8%)	4,37,61,221 (6,80,58,220)	94% (92%)
Packing Materials	Nil (Nil)	Nil (Nil)	26,249,266 (3,44,00,932)	100% (100%)
Consumable Stores	Nil (Nil)	Nil (Nil)	Nil (1,90,942)	Nil (100%)

f) Earnings in Foreign Exchange : NIL

Note : Figures in brackets represent those of previous year.

14 The figures of the previous year have been regrouped / rearranged, wherever necessary, to conform to current year's presentation.

As per our Report of even date annexed

For SNB Associates
Chartered Accountants

S Lakshmanan
Partner
M.No.20045

Place: Mumbai
Date: May 14, 2010

For and on behalf of the Board

P T Siganporia
Chairman
Salim Govani
Vinod Sethi
Pradeep Mallick
Joseph Kodianthara
Ajit Shah
Ranjit Barthakur
V Subramanian
Suresh Borkar

Pradeep Poddar
Managing Director

Abanti Sankaranarayanan
Executive Director

A P K Chettiar
GM - Legal & Company Secretary

MOUNT EVEREST MINERAL WATER LIMITED

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BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No.	19065
State Code	06
Balance Sheet Date	March 31, 2010

II Capital raised during the year: (Amount in thousands)

Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement (Preferential allotment)	NIL

III Position of Mobilisation and Deployment of Funds

	(Rs. '000)
Total Liabilities	12,96,453
Total Assets	12,96,453

Sources of Funds

Paid up capital	3,39,960
Reserves & Surplus	8,68,872
Secured Loans	NIL
Unsecured Loans	NIL
Debentures	NIL

Application of Funds

Net Fixed Assets	1,60,858
Investments	1,90,202
Net Current Assets	2,18,662
Miscellaneous Expenditure	-
Accumulated Losses	6,39,110

IV Performance of Company

Turnover/Income	2,43,478
Total Expenditure	3,84,506
Extra Ordinary Item	NIL
Profit / (Loss) Before Tax	(1,41,028)
Profit / (Loss) After Tax	(1,41,028)
Earnings per share (Re.)	(4.15)
Dividend rate	Nil

V Generic Names of Principal Products, Services of the Company

Item Code	:	2201.19
Production Description	:	Packaged Natural Mineral Water

MOUNT EVEREST MINERAL WATER LIMITED

Registered Office : Village Dhaula Kuan, District Sirmour-173 025, Himachal Pradesh.

Attendance Slip

[Empty box for stamp or signature]

I hereby record my presence at the NINETEENTH ANNUAL GENERAL MEETING of the Company at Village Dhaula Kuan, District Sirmour-173 025, Himachal Pradesh, on Friday, July 30, 2010 at 4.30 p.m.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

- NOTES :**
- 1. Shareholder/Proxyholder wishing to attend the meeting must bring this Attendance Slip to the meeting and hand it over at the entrance duly signed.
 - 2. Shareholder/Proxyholder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.

MOUNT EVEREST MINERAL WATER LIMITED

Registered Office : Village Dhaula Kuan, District Sirmour-173 025, Himachal Pradesh.

Proxy

I/We
of..... in the district of being
a Member/Members of the abovenamed Company, hereby appoint
..... of in the district of
..... or failing him of..... in the district of
..... as my/our Proxy to attend and vote for me/us and on my/our behalf at the
Nineteenth Annual General Meeting of the Company, to be held on Friday, July 30, 2010 at 4.30 p.m. or at any
adjournment thereof.

Signed this day of 2010.

Reference Folio No.:

DP ID/BEN ID

No. of Shares held

Signature _____

Affix 30 Paise Revenue Stamp

This form is to be used _____ * in favour of _____ the resolution. Unless otherwise instructed, the Proxy will vote as he thinks fit. _____ * against

* Strike out whichever is not desired.

NOTE : The Proxy must be returned so as to reach the Registered Office of the Company, at Village Dhaula Kuan, District Sirmour-173 025, Himachal Pradesh, not less than FORTY-EIGHT HOURS before the time for holding the aforesaid meeting.