



# Midpoint

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SOFTWARE & ELECTRO SYSTEMS LTD.

**Seventh  
Annual Report  
1998-99**

## 7th ANNUAL REPORT

<b>BOARD OF DIRECTORS</b>	
<b>VINOOBHAI U. SHAH</b>	<i>Chairman</i>
<b>APOORVA H. SHAH</b>	<i>Director</i>
<b>HIMATLAL H. SHAH</b>	<i>Director</i>
<b>SAILESH V. SHAH</b>	<i>Director</i>
<b>BANKERS</b>	
<b>JANATA SAHAKARI BANK LTD.</b> <b>BANK OF AMERICA</b> <b>ORIENTAL BANK OF COMMERCE</b>	
<b>AUDITORS</b>	
<b>M/s. H. R. DHANDHANIA &amp; CO.</b> <b>Chartered Accountants</b> 407, Dalamal Tower, 211, Nariman Point, Mumbai - 400 020.	
<b>REGISTERED OFFICE</b>	
Kshamalaya, 3rd Floor, 37-New Marine Lines, Mumbai - 400 020.	
<b>SHARE TRANSFER AGENT</b>	
<b>System Support Services</b> 209, Shivali Ind. Estate, Next to Parke-Davis, 89, Andheri Kurla Road, Saki Naka, Mumbai - 400 071.	

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T****7th ANNUAL GENERAL MEETING**

On Wednesday the 29th September, 1999 at 11.00 a.m. at Registered Office of the Company at Kshamalaya, 3rd Floor, 37-New Marine Lines, Mumbai - 400 020.

Members are requested to bring their copy of the Annual Report to the Annual General Meeting.



## Midpoint Software & Electro Systems Ltd.

### NOTICE

NOTICE is hereby given that the Seventh Annual General Meeting of the members of MIDPOINT SOFTWARE AND ELECTRO SYSTEM LIMITED will be held on Wednesday the 29th September, 1999 at 11.00 A.M. at the Registered Office of the Company at Kshamalya, 3rd Floor, 37-New Marine Lines, Mumbai - 400 020, to transact the following business :

#### ORDINARY BUSINESS :

1. To consider and adopt the Balance Sheet as at 31st March, 1999, Profit and Loss Account for the year ended on that date and the reports of the Board of Directors' and Auditor's thereon.
2. To appoint a Director in place of Shri Apoorva Shah, Director who retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

#### SPECIAL BUSINESS :

3. To consider and, if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution :  
"RESOLVED THAT M/s P. J. Raichura & Co., Chartered Accountants from Mumbai be and are hereby appointed as Auditors of the Company in place of M/s H. R. Dhandhanian & Co., Chartered Accountants to hold office from the conclusion of this annual general meeting till the conclusion of the next annual general meeting at a remuneration which may be fixed by the Board at a later date."

By order of the Board  
For Midpoint Software & Electro System Ltd.

VINOOBHAI SHAH

Mumbai : 31st August, 1999

Chairman

Registered Office :  
Kshamalya, 3rd Floor,  
37, New Marine Lines,  
Mumbai 400 020

#### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM MUST BE LODGE AT THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE TIME OF THE MEETING.

2. The Register of members and Share transfer books of the Company will remain closed on 29th September, 1999.
3. Members are requested to intimate regarding changes, if any, in their registered address alongwith the Pin Code No. immediately to the Company's Registrar and Share Transfer Agents, M/s. System Support Services at 209, Shivai Industrial Estate, Next to Park-Davis, 89 Andheri Kurla Road, Saki Naka, Mumbai - 400 071.
4. Members/Proxies are requested to bring the Attendance Slip duly filled and the copy of the Annual Report already circulated at the meeting.

### Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

#### Item No. 4

The Company has received a letter from its present Auditors, M/s H. R. Dhandhanian & Co., Chartered Accountants, stating that due to their pre-occupation, they are unable to continue to act as Auditors of the Company from the conclusion of this Annual General Meeting.

The Board of Directors have recommended the name of M/s P. J. Raichura & Co., Chartered Accountants to be appointed as the Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

The Company has also received a letter from M/s P. J. Raichura & Co., Chartered Accountants stating that, if appointed, their appointment will be in accordance with the limits specified in Section 224 (1) (B) of the Companies Act, 1956.

Your Directors recommend the above resolution for your approval.

None of the Directors is interested in the above resolution.

By order of the Board  
for Midpoint Software & Electro System Ltd.

VINOOBHAI SHAH

Chairman

Mumbai :  
31st August, 1999

**7th ANNUAL REPORT****DIRECTORS' REPORT**

To  
The Members  
Midpoint Software & Electro System Limited

Your Directors present their Seventh Annual Report for the year ended 31st March, 1999.

**FINANCIAL HIGHLIGHTS :**

Main Financial Highlights of the Company are given below.

(Rs. in Lacs)

Particulars	31.3.99	31.3.98
Net Sales/Income from Operations	0.52	0.59
Other Income	0.029	0.42
Gross Loss before Interest & Depreciation	(29.30)	(75.03)
Depreciation	3.24	3.24
Loss for the year	(32.54)	(78.27)

**YEAR IN RETROSPECT:**

During the year under review, company's activities were virtually standstill position. The software developed by the company popularly known as Checkmate could not find the market due to lack of upgradation.

Your Directors have decided to face-lift the company during the current year.

**DIVIDEND :**

Your Directors regret their inability to declare any dividend due to loss incurred by the company during the year.

**DIRECTORS :**

Mr. Apoorva Shah, Director of the Company retires by rotation and being eligible offers himself for reappointment.

**AUDITORS' REPORT & APPOINTMENTS :**

The notes to the accounts referred to in the Auditors Report are self explanatory. Management is taking appropriate steps to deal with the same.

Messrs H. R. Dhandhanja & Co., Chartered Accountants, Statutory Auditors of the Company should hold office until the conclusion of the ensuing Annual General Meeting. However, the Company has received

a letter from them expressing their inability to continue as Auditors due to pre-occupation. The Board of Directors have recommended the name of M/s P. J. Raichura & Co., Chartered Accountants as Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting. The Board recommends their appointment.

**PERSONNEL :**

There were no employees employed during the year or part of the year drawing remuneration which falls within the purview of the provisions of section 217 (2A) of the Companies Act, 1956.

**THE YEAR 2000 (Y2K) COMPLIANCE :**

Your Company is taking necessary steps to ensure Y2K Compliance. All Software and Hardware used in recording Accounting Transactions and most of the Hardware used in other operations are Y2K Compliant.

While your Company does not anticipate any difficulty, contingency plans are in the process of being drawn up for any disruption. The estimated cost of Y2K compliance is not expected to be significant. Your Company has thus taken necessary precaution and expects a smooth transaction to the next millennium.

**CONSERVATION OF ENERGY,****TECHNOLOGY ABSORPTION ETC. :**

This information as required under Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in Report of the Board of Directors) Rules 1988 with respect to conservation of energy, technology absorption and foreign exchange earnings is given below :

**A. CONSERVATION OF ENERGY**

The Company is not covered under the list of specified industries, however required conservation measures are already taken for limiting power consumption to the extent necessary.

**B. TECHNOLOGY ABSORPTION ADAPTATION AND INNOVATION :**

Research and Product Development activities are primarily directed towards upgradation of existing product range to suit modern platforms. Efforts are mainly concentrated in the areas of enhancing existing product development under new platforms



## Midpoint Software & Electro Systems Ltd.

and making it compatible to all existing operating systems.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGOINGS :

Foreign Exchange Earning : Nil

Foreign Exchange Outgoings : Nil

### FIXED DEPOSIT :

The Company has not invited/accepted/renewed fixed deposits from the public within in the purview of the provisions of Sections 58A of the Companies, 1956.

### INSURANCE :

All the assets of the Company wherever necessary and to the extent required have been insured.

### ACKNOWLEDGMENT :

The Directors are pleased to sincerely express their gratitude to all its valuable customers and especially to the Company's Bankers for extending their full co-operation.

for and on behalf of Board

MIDPOINT SOFTWARE & ELECTRO SYSTEMS LIMITED

VINOOBHAI SHAH

Place : Mumbai

Chairman

Dated : 31st August, 1999

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**7th ANNUAL REPORT****AUDITORS REPORT**

We have audited the attached Balance Sheet of M/S. MIDPOINT SOFTWARE & ELECTRO SYSTEMS LIMITED as at 31st March, 1999 and also the annexed Profit and Loss Account of the Company for the year ended on that date and report that :

1. As required by the Manufacturing and Other Companies (Auditors Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto the statement of the matters specified in Paragraphs 4 and 5 of the said order.
2. Further to our comments in the annexure referred to in Paragraph (1) above :
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 the books;
  - (c) The Balance Sheet and Profit & Loss Account dealt with by this Report are in agreement with the books of accounts;
  - (d) In our opinion, the Balance Sheet and the Profit & Loss Account comply with the Accounting Standards referred to in Sub-Section 3 (C) of Section 211 of the Companies Act, 1956.
  - (e) In our opinion and to the best of our information and according to the explanations given to us, the accounts read together with notes thereon subject to :

**Note No. 5 :** In Schedule - O regarding non provision of Interest on Term Loan and Bill Discounting (amount unascertained).

**Note No. 7 :** In Schedule - O regarding non provision for Doubtful Debts of recovery amounting to Rs. 10,250/- (Pre. Year : Rs. 45.06 Lacs).

**Note No. 8 :** In Schedule - O regarding non provision for Doubtful of recovery :

- a) Loans : Rs. 25.05 Lacs (P. Y. : Rs. 25.05 Lacs ),
- b) ICDs : Rs. 66.61 Lacs (P. Y. : Rs. 66.61 Lacs ),
- c) Deposits : Rs. 21.25 Lacs (P. Y. : Rs. NIL),

**Note No. 10 :** In Schedule - O regarding Balance in Vijaya Bank (Dividend Account) subject to reconciliation.

**Note No. 12 :** In Schedule - O regarding Non Provision for Employer's Contribution towards PF & ESIC.

**Note No. 13 :** In Schedule - O regarding Non Provision for Encashment of Earned Leave.

**Note No. 14 :** In Schedule - O regarding no provision been made in the Accounts in respect of diminution in value of Long Term Investments to the extent of Rs. 1.92 Lacs. (Pre. Year : Rs. 1.92 Lacs). As a result, the Loss is lower by Rs. 1.92 Lacs (Pre. Year : Rs. 1.92 Lacs) and consequently, Investment is more by the said Amount.

give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :

- 1) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 1999.

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- 2) In the case of the Profit & Loss Account, for the Loss for the year ended on 31st March, 1999.

For H. R. DHANDHANIA & CO.  
CHARTERED ACCOUNTANTS

PLACE : MUMBAI.

(S. H. DHANDHANIA.)

DATED : 31st August, 1999.

PARTNER