



Midpoint

SOFTWARE & ELECTRO SYSTEMS LTD.

CERTIFIED
TO BE
TRUE COPY

Midpoint Software & Electro Systems Limited.

A handwritten signature in black ink, appearing to read 'H. H. H.', is written over the printed name of the Director.

Director.

Eight
Annual Report
1999-2000

8th ANNUAL REPORT

BOARD OF DIRECTORS	
VINOOBHAI U. SHAH	<i>Chairman</i>
APOORVA H. SHAH	<i>Director</i>
HIMATLAL H. SHAH	<i>Director</i>
SAILESH V. SHAH	<i>Director</i>
BANKERS	
JANATA SAHAKARI BANK LTD.	
ORIENTAL BANK OF COMMERCE	
AUDITORS	
M/s. P. J. RAICHURA & CO.	
<i>Chartered Accountants</i>	
71/72, Ashok Chambers,	
Devji Ratanshi Marg, Masjid,	
Mumbai - 400 009	
REGISTERED OFFICE	
Kshamalaya, 3rd Floor,	
37-New Marine Lines,	
Mumbai - 400 020	
SHARE TRANSFER AGENT	
System Support Services	
209, Shivali Ind. Estate,	
Next to Parke-Davis,	
89, Andheri Kurla Road, Saki Naka,	
Mumbai - 400 071	

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T****8th ANNUAL GENERAL MEETING**

On Thursday the 28th September, 2000 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 Eight Annual General Meeting of the members of MIDPOINT SOFTWARE & ELECTRO SYSTEMS LIMITED, will be held at the registered office of the Company at Kshamalaya, 3rd Floor, 37, New Marine Lines, Mumbai 400 020, on 28TH September, 2000 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS;

1. To receive, consider and adopt the Directors' Report and the Audited Profit and Loss Account for the year ended 31ST March 2000 and the Balance Sheet as on that date.
2. To appoint a Director in place of Mr. Sailesh Shah who retires by rotation, but being eligible, offers himself re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification as a SPECIAL RESOLUTION the following:

'RESOLVED THAT in accordance with the provisions of Section 31 and all other applicable provisions, if any of the Companies Act, 1956, including any statutory modifications and re-enactment thereof, for the time being in force and the provisions of other statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the Articles of Association of the Company be and is hereby altered as follows:

- I. That following new Article 70A be inserted after the existing Article 70 :
- A. The following definitions shall read as under

Depositories Act :

'Depositories Act' means the Depositories Act, 1996 and shall include any statutory modification(s) or re-enactment thereof for the time being in force.

Depository

'Depository' means a Company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration under Sub Section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.

Beneficial Owner

'Beneficial Owner' means a person whose name is recorder as such with a Depository.

Shareholder or Member

'Shareholder' or 'Member' means the duly registered holder of the shares from time to time and includes the subscribers to the Memorandum of Association of the Company and the beneficial owner(s) as defined in clause (a) of sub section (1) of section 2 of the Depositories Act, 1996.

Security

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

SEBI

'SEBI' means the Securities and Exchange Board of India.

- B. Dematerialisation of Securities: Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialised form, the Company shall enter into an agreement with the Depository to enable the investor to dematerialise the securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.
- C. Option for Investors Every person subscribing to securities offered by the Company shall have the option to receive the security Certificates or hold Securities with a Depository: If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of security, and on receipt of such information, the Depository shall enter in its record, the name of the allottee as the beneficial owner of the security.

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D. Securities in depositories to be in fungible form: All securities held by a depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 153, 153A, 152B, 187A, 187C, and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the Beneficial owners.

E. Rights of depositories and beneficial owners:

1. Notwithstanding anything to the contrary contained in the Articles, a depository shall be deemed to be a registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner;
2. Save as otherwise provided in 1 above, the depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it;
3. Every person holding equity share capital of the Company and whose name is entered as beneficial owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the securities held by the depository.

F. Service of the Documents:

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

G. Transfer of Securities: Nothing contained in Section 108 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the Register maintained by a depository under the Depositories Act, 1996.

H. Allotment of Securities dealt with a depository: Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a depository, the company shall intimate the details thereof to the depository immediately on allotment of such securities.

I. Distinctive number of securities held in the Depository mode: Nothing anything contained in

the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

J. Register and Index of Beneficial Owners: The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of members and securities holders for the purpose of these Articles and Act."

II. That the following new Article 70B be inserted after the newly inserted Article 70A:

RIGHT OF NOMINATION:

A. Notwithstanding anything contained in these Articles, every holder of shares or debentures of the Company may, at any time, nominate a person to whom his shares or debentures shall vest in the event of his death and the provisions of Section 109A and 109B of the Act shall apply in respect of such nomination.

B. No person shall be recognised by the Company as a nominee unless an intimation of the appointment of the said person as a nominee has been given to the Company during the lifetime of the holder (s) of the shares or debentures of the Company in the manner specified u/s 109A of the Act.

C. The Company shall not be in any way responsible for transferring the shares and/or debentures consequent upon such nomination.

D. If the Holder(s) of the shares or debentures survive the nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.

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

VINOOBHAI SHAH

Chairman

Registered Office:
Kshamalaya, 3rd Floor.
37, New Marine Lines,
Mumbai - 400 020
Date : 31st August, 2000



Midpoint Software & Electro Systems Ltd.

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 PROXY NEED NOT BE THE MEMBER OF COMPANY AND THE PROXY TO BE EFFECTIVE, SHOULD BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The register of members and share transfer books of the Company will remain closed from 25-09-2000 to 28-09-2000 (Both days inclusive).
3. Members/proxies are requested to bring the attendance slip duly filled up for attending the Meeting and the copy of the Annual Report with them.
4. Members are requested to intimate the change, if any, in their Registered address.

As required by section 173(2) of the Companies Act, 1956, (hereinafter referred to as "the Act") the following Explanatory statement sets out all the material facts relating to the Special Business under item No.4 of accompanying notice dated

ITEM NO. 4

The Securities and Exchange Board of India (SEBI) has notified compulsory trading of your Company's equity shares in dematerialised form with effect from 25th Sept., 2000 for Institutional Investors. Hence effective from this date all trading with the institutional Investors and OCB's will have to be in dematerialised form and if shareholders purchase or sell Company's shares from/to the Institutional Investors/ OCB's, they have to deliver/accept the shares in dematerialised form only. Therefore it is suggested that shareholders can convert their holdings in demat form, as early as possible and take advantage of Dematerialisation facility. The Company will enter into an agreement with National Securities Depository Ltd. through their share transfer agents for Dematerialisation of Securities.

With the introduction of the Depositories Act, 1996 and the Depository system becoming operational, some of the provisions of the Act, relating to the issue, holding, transfer, transmission of shares and other securities have been amended to facilitate the implementation of the new system. The investors at their option are now able to hold and transact in securities in dematerialised form through a Depository. The Depository System of holding securities in electronic form is a safer and more convenient method of holding and trading in the securities of the Company. It is therefore proposed that the Articles of Association of the Company be suitably altered, as set out in the resolution to enable the Dematerialisation of securities issued by the Company and to spell out the rights of the beneficial owner of the securities in such a system. The Company's (Amendment) Act, 1999 has provided the facility of nomination to the share/debenture holders. The introduction of the nomination facility will enable nomination of any person in whom the interest of the holder of the share and/or debenture shall vest in the event of the death of the holder. Consequently, it is proposed to insert this clause in the Articles of Association of the Company to provide for facility of nomination in respect of the shares and debentures issued by the Company.

None of the Directors of the Company, in any way, is concerned or interested in this resolution except to the extent of their respective shareholding, if any in the Company.

Your Directors recommend this resolution for approval of the shareholders.

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

VINOOBHAI SHAH

Chairman

Registered Office
Kshamalaya, 3rd Floor,
37, New Marine Lines,
Mumbai - 400 020
Date : 31st August, 2000

8th ANNUAL REPORT**DIRECTORS' REPORT**

To
The Members
Midpoint Software & Electro Systems Limited

Your Directors present their Eighth Annual Report for the year ended 31st March, 2000.

FINANCIAL HIGHLIGHTS :

Main Financial Highlights of the Company are given below.

	(Rs. in Lacs)	
Particulars	31.3.00	31.3.99
Net Sales/Income from Operations	0.350	0.520
Other Income	0.009	0.029
Gross Loss before Interest & Depreciation	(20.46)	(29.30)
Depreciation	3.24	3.24
Loss for the year	(23.70)	(32.54)

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 P. J. Raichura & Co., Chartered Accountants, Statutory Auditors of the Company should hold office until the conclusion of the ensuing Annual General Meeting.

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.

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

The 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 and making it compatible to all existing operating systems.

C. FOREIGN EXCHANGE EARNINGS AND OUTGOINGS :

Foreign Exchange Earning : Nil

Foreign Exchange Outgoings : Nil