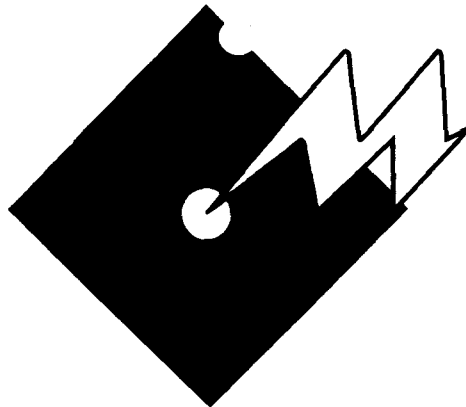


**CERTIFIED
TO BE
TRUE COPY**

Midpoint Software & Electro Systems Limited.

Amu

Director.



Midpoint

SOFTWARE & ELECTRO SYSTEMS LTD.

**Tenth
Annual Report
2001-2002**

10th 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	

10TH

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T**10th ANNUAL GENERAL MEETING**

On Monday the 30th September, 2002 at 4.30 p.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 Tenth Annual General Meeting of the members of MIDPOINT SOFTWARE & ELECTRO SYSTEMS LIMITED, will be held on Monday, 30th September 2002 at 4.30 p.m. at Kshamalaya, 3rd Floor, 37, New Marine Lines, Mumbai 400 020, to transact the following business:

ORDINARY BUSINESS;

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March 2002 and Profit and Loss Account for the year ended as on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Shailesh Shah who retires by rotation and being eligible, offers himself for 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.

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 INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, 28th September 2002 to Monday, 30th September 2002.
3. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.

4. Members are requested to kindly notify Company of any change in their addresses so as to enable the Company to address future communications to their correct addresses.
5. Members desiring any information as regards the Accounts are requested to write to the Company Secretary at an early date so as to enable the Management to reply at the Meeting.
6. As per the provisions of the amended Companies Act, 1956, facility for making nominations is now available for Shareholders in respect of the shares held by them. Nomination forms can be obtained from the Share Registrars of the Company.
7. Members are requested to kindly bring their copies of the Annual report to the Meeting.

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
Maharashtra.
Date: 31st July, 2002

10th ANNUAL REPORT

DIRECTORS' REPORT

To
The Members
Midpoint Software & Electro Systems Limited

Your Directors present their Tenth Annual Report for the year ended 31st March, 2002.

FINANCIAL HIGHLIGHTS :

Main Financial Highlights of the Company are given below.

(Rs. in Lacs)

Particulars	31.3.02	31.3.01
Net Sales/Income from Operations	0.347	0.587
Other Income	0.190	0.020
Gross Loss before Interest & Depreciation	(1.189)	(33.14)
Depreciation	3.24	3.24
Loss for the year	(4.429)	(36.38)

YEAR IN RETROSPECT:

During the year under review, company's activities were virtually standstill position.

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

DIVIDEND :

In view of the losses, your Directors regret their inability to recommend any Dividend.

DIRECTORS :

Mr. Shailesh Shah retires by rotation at this Annual General Meeting and is eligible for reappointment.

EMPLOYEES

No employee is drawing the remuneration more than the specified limit prescribed U/S 217(2A) of the Companies Act, 1956 (Particulars of Employees) Rules, 1975. Hence the information require in terms of Section 217(2A) of the Companies Act, 1956 (Particulars of Employees) Rules, 1975 not applicable to us.

DEPOSITS

The Company has not accepted any deposits from the public during the year.

AUDITORS

M/s. P. J. Raichura & Co., Chartered Accountants, existing auditors of the Company retire and are eligible for reappointment at the forthcoming Annual General Meeting.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

The information as required under Section 217(l)(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 :

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.

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

Research & Product Development activities are primarily directed towards up gradation 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.

FOREIGN EXCHANGE EARNINGS & OUTGOINGS

Earnings : Rs. Nil
(Previous Year Rs. NIL)

Outgoings : Rs. Nil
(Previous Year Rs. NIL)



Midpoint Software & Electro Systems Ltd.

DIRECTORS RESPONSIBILITY STATEMENT

In Compliance of Section 217(2AA), as incorporated by the Companies (Amendment) Act, 2000 in the Companies Act, 1956 your directors confirm that :

- A The Company has followed the applicable standards in the preparation of the Annual Accounts and there had been no material departure.
- B Directors had selected the accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the aforesaid period.
- C The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- D The Directors have prepared the Annual Accounts on a going concern basis.

E Corporate Governance :

The Board has already taken initiative to comply with the requirements of clause 49 of the listing Agreement i.e. corporate Governance although the date of implementation in case of your Company is March 31, 2003.

ACKNOWLEDGMENTS :

The Board of Directors express their deep gratitude for the assistance, Co-operation and support extended to your company by its Bankers, various Government agencies, customers and suppliers. Your Directors also place on record the commitment and involvement of the employees at all levels and looks forward to their continuous co-operation.

for and on behalf of Board

MIDPOINT SOFTWARE & ELECTRO-SYSTEMS LIMITED

Place : Mumbai

Chairman

Dated : 31st July, 2002

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10th ANNUAL REPORT

AUDITORS REPORT

We have audited the attached Balance Sheet of M/S. **MIDPOINT SOFTWARE & ELECTRO SYSTEMS LIMITED** as at 31st March, 2002 and also the Profit and Loss Account for the year ended on that date.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement based on our audit.

We conducted our audit in accordance with 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 materials 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. Subject to this we 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 give in the Annexure a statement on 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, 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 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 (3C) of Section 211 of the Companies Act, 1956;
- (e) On the basis of information received from the Board of Directors as on 31st March, 2002 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2002 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 accounts read together with the attached schedules and notes thereon give the information required by the Companies Act, 1956 in the manner so required and give true and fair view :
 - 1) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2002.
 - and
 - 2) In the case of the Profit & Loss Account, of the Losses for the year ended on that date.

For P. J. RAICHURA & COMPANY
CHARTERED ACCOUNTANTS

PLACE : MUMBAI.

(P. J. RAICHURA)

DATED : 31st July, 2002.

PROPRIETOR