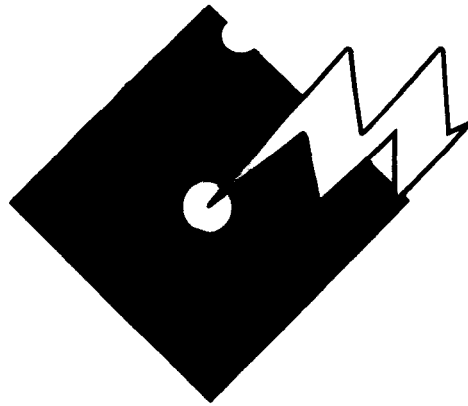


**CERTIFIED
TO BE
TRUE COPY**
Midpoint Software & Electro Systems Limited.

Amr

Director.



Report **Midpoint** .com

SOFTWARE & ELECTRO SYSTEMS LTD

**Eleventh
Annual Report
2002-2003**

11th 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**11th ANNUAL GENERAL MEETING**

On Tuesday the 30th September, 2003 at 2.00 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 Tuesday, 30th September 2003 at 2.00 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 2003 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. Aproova H. 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.

SPECIAL BUSINESS

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

RESOLVED THAT pursuant to the applicable regulation of The SEBI (Delisting of Securities) Guidelines, 2003 and other applicable guidelines of the Securities and Exchange Board of India (SEBI), and all other applicable Laws, Rules, Guidelines, Regulation, Provision if any, of others authorities and which may become applicable hereafter governing the matter, approval of the company be and is hereby accorded to the delisting of the company's Shares from any one or more of the Stock Exchanges where the Company's Shares are listed and in particular from the :

1. The Stock Exchange Ltd.
2. Madras Stock Exchange Ltd.

at such time as the Board of Directors (whether acting through the Board, a committee of the Board, or any Director or any person authorised by Board) may, in their absolute discretion, consider appropriate and proper without giving an exit option to the shareholders of the regions where the aforesaid stock exchanges are situated and on the terms and conditions as may be stipulated and mutually agreed to in the best interest of the company, after taking into account various factors such as but not limited to the incidence, impact, or burden of the cost of listing fees payable to the Stock Exchanges and volume of trading on relevant Stock Exchange.

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 Monday, 29th September 2003 to Tuesday, 30th September 2003.
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.

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

The Securities and Exchange board of India (SEBI) has issued the Securities and Exchange of India (Delisting of Securities) Guidelines, 2003, (hereinafter referred to as the "Delisting Guidelines") incorporating, among others, provision for delisting of securities of a Listed Company Voluntarily by a promoters or an acquire or any other person from the stock Exchanges.

Presently, the Company's shares are listed on the following Three Stock Exchanges :

1. The Stock Exchange - Ahmedabad
2. Madras Stock Exchange Ltd.
3. The Stock Exchange - Mumbai

With the extensive networking of The Stock Exchange, Mumbai (BSE) and the extension of its terminals to other cities as well, investors have access to online dealings in the company's equity shares across the country. The bulk of the trading in the company's equity shares in any case takes places on BSE, and the depth and liquidity of trading in Company's equity shares on all other Stock Exchange is low and insignificant.

The Securities and Exchange Board of India (SEBI) has specified for settlement of the Company's equity shares only in dematerialized form by all investors. It is also observed that the listing fee paid to Stock Exchanges other than BSE is disproportionately high compared to the extremely Low/Nil trading Volumes of the Company's securities on those exchanges. The Company has proposed this resolution, which enable it to delist its equity shares from the following Stock Exchange.

1. The Stock Exchange - Ahmedabad.
2. Madras Stock Exchange Ltd.

The Company's equity share will continue to be listed on The Stock Exchange - Mumbai after the proposed delisting.

Your Directors commend the Special Resolution for Members' approval

None of the Directors of the Company is, in any way, concerned or interested in this resolution.

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.
Dated : 11th June, 2003

DIRECTORS' REPORT

To
The Members
Midpoint Software & Electro Systems Limited

Your Directors present their Eleventh Annual Report for the year ended 31st March, 2003.

FINANCIAL HIGHLIGHTS :

Main Financial Highlights of the Company are given below.

	(Rs. in Lacs)	
Particulars	2002-03	2001-02
Net Sales/Income from Operations	0.088	0.347
Other Income	NIL	0.190
Gross Loss before Interest & Depreciation	(3.844)	(1.189)
Depreciation	3.24	3.24
Loss for the year	(7.084)	(4.429)

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. Apoorva H. 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. Reichura & 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(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 :

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 :

Due to deadlock in the operation of the company no committees such as audit committee, remuneration Committee, were constituted as required by the principal of corporate Governance. However the same is likely to be complied with during the year 2003-2004.

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 : 11th June, 2003

11th ANNUAL REPORT**AUDITORS REPORT**

We have audited the attached Balance Sheet of M/S. **MIDPOINT SOFTWARE & ELECTRO SYSTEMS LIMITED** as at 31st March, 2003 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. These 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. Subject to this we report that :-

1. As required by the Manufacturing and Other Companies (Auditors Report) Order, 1998 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, except the following Accounting Standard (AS).

1. As 22 as regard deferred tax; As explained to us in view of accumulated and continuous losses and having no activities, necessary adjustments have not been made in the accounts for deferred taxes as per this standard.
2. As 17 as regard segment report' As explained to us as there are not activities, relevant particulars are not given.

(e) On the basis of information received from the Board of Directors as on 31st March, 2003 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2003 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, 2003.
- a n d
- 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.
DATED : 11th June, 2003.

(P. J. RAICHURA)
PROPRIETOR