



ensō group

ENSO SECUTRACK LIMITED

(FORMERLY TYCHE PERIPHERAL SYSTEMS LIMITED)

Report  junction.com

**17th
ANNUAL REPORT
2007 - 2008**

BOARD OF DIRECTORS

Mr. Vinay Kumar Maloo
Mr. Ram Prasad Gadde Siva
Mr. Amit Majumdar
Mr. Pradeep Chauhan
Ms. Sabari S Kambli
Mr. Jagdish Mal Lodha
Mr. Naseem Ahmad
Mr. Rajiv Kumar Maheshwari

Director & Chairman
Director & Executive Vice Chairman
Managing Director
Wholetime Director
Wholetime Director
Director
Director
Additional Director

AUDITORS

M/s. S. Srinivasan & Co.
Chartered Accountants
H.No.8-2-293/82/W/93,
Plot No.93, Road No.7B,
Jubilee Hills,
HYDERABAD – 500 033.

BANKERS

State Bank of India
Commercial Branch,
Koti, Hyderabad.

SHAREHOLDERS' INFORMATION REGISTERED OFFICE

“TYCHE HOUSE”,
13-6-436/A/26,
Lakshminagar Colony,
Mehdipatnam,
Hyderabad – 500 028.

AUDIT COMMITTEE

Mr. J M. Lodha
Mr. Rajiv Maheshwari
Mr.Amit Majumdar

INVESTORS' GRIEVANCES COMMITTEE

Mr. J. M. Lodha
Mr. Rajiv Maheshwari
Mr. Amit Majumdar

LISTING

Bombay Stock Exchange Limited
Bangalore Stock Exchange Limited
Ahmedabad Stock Exchange Limited
The Calcutta Stock Exchange Association Ltd.
The Hyderabad Stock Exchange Limited

BOOK CLOSURE

25-09-2008 to 30-09-2008 (both days inclusive)

Date, Time and Venue of AGM

30-09-2008, 9.30 A.M.
At Taj Banjara
Road No.1, Banjara Hills,,
Hyderabad-500034.

REGISTRARS & SHARE TRANSFER AGENTS (Physical & Electronic)

M/s. XL Softech Systems Limited,
3, Sagar Society, Road No.2, Banjara Hills,
Hyderabad – 500 034.



ENSO SECUTRACK LIMITED

NOTICE

Notice is hereby given that the seventeenth Annual General Meeting of the members of 'Enso Secutrack Limited' will be held on Tuesday, September 30, 2008 at Hotel Taj Banjara, Road No.1, Banjara Hills, Hyderabad – 500 034 at 9:30 A.M. to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at March 31, 2008, the Profit & Loss Account and the Cash Flow Statement for the year ended as on that date and the report of the Board of directors and Auditors thereon.
2. To appoint a director in place of Mr. J.M.Lodha, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Mr. Naseem Ahmad, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. S Srinivasan & Co, Chartered Accountants, as statutory auditors of the Company to hold office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting and to authorize the Board of directors / audit committee to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
 "RESOLVED THAT Mr. Pradeep Chauhan who was appointed as an Additional Director by the Board of Directors on May 7th 2008 and who holds office upto the date of the ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, is hereby appointed as a Director, liable to retire by rotation.

RESOLVED FURTHER THAT the terms and conditions of the appointment of Mr. Pradeep

Chauhan appointed as a Whole Time Director, shall remain same as that approved by the members in the Extra Ordinary General Meeting dated June 17th, 2008."

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Amit Datta Majumdar who was appointed as an Additional Director and Managing Director by the Board of Directors on May 7th 2008 and who holds office upto the date of the ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, is hereby appointed as a Director.

RESOLVED FURTHER THAT the terms and conditions of the appointment of Mr. Amit Datta Majumdar shall remain same as that approved by the members in the Extra Ordinary General Meeting dated June 17th, 2008."

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"Resolved that in accordance with provisions of the Sections 198, 269, 309 and Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 the consent of the Company be and is hereby accorded for the reappointment of Ms. Sabari S. Kambli, as Wholetime Director, liable to retire by rotation, on the terms and conditions as approved by the members in the Extra Ordinary General Meeting dated June 17th, 2008."

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Rajeev Maheshwari who was appointed as an Additional Director by the Board of Directors on December 18th 2007 and who holds office upto the date of the ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the



Company has received a notice in writing from a member proposing his candidature for the office of Director, is hereby appointed as a Director, liable to retire by rotation.

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the applicable provisions of the Foreign Exchange Management Act (“FEMA”), 1999, the Companies Act, 1956, and all other applicable rules, regulations, guidelines, laws (including any statutory modifications thereof) and subject to approval / consent of such appropriate authorities including that of the Central Government and Reserve Bank of India, where necessary, and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permission and sanction, which may be agreed to by the board of directors of the Company, and/or duly authorized committee thereof or the time being exercising the powers conferred by the board of directors (hereinafter referred to as the “Board”), the consent of the Company be and is hereby accorded for investments by foreign institutional investors, including their sub-accounts (“FIIs”) in the Company upto 49% of the paid up equity share capital of the Company, by purchase or acquisition from the market under the portfolio investment scheme under FEMA, subject to the conditions as may be prescribed under applicable law.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters, and things and execute all documents or writings as may be necessary, proper, or expedient for the purpose of giving effect to this Resolution.”

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the applicable provisions of the Foreign Exchange Management Act (“FEMA”), 1999, the Companies Act, 1956, and all other applicable rules, regulations, guidelines, laws (including any statutory modifications thereof) and subject to approval / consent of such appropriate authorities including that of the Central Government and Reserve Bank of India, where necessary, and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permission and sanction, which may be agreed to by the Board of Directors of the Company, and/or duly authorized committee thereof or the time being exercising the powers conferred by the Board of Directors (hereinafter referred to as the “Board”), the consent of the Company be and is hereby accorded for investments by Non Resident Indians (“NRIs”) in the shares of the Company by purchase or acquisition from the market under the portfolio investment scheme under FEMA, subject to the condition that total holding of all NRIs put together shall not exceed 24% of the paid up equity share capital, subject to the conditions as may be prescribed under applicable law.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters, and things and execute all documents or writings as may be necessary, proper, or expedient for the purpose of giving effect to this Resolution.”

By order of the Board
For Enso Secutrack limited

Amit Datta Majumdar
Managing Director

Date: September 2, 2008
Place: Hyderabad

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE 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 48 hours before the meeting. Proxies submitted on behalf of limited companies etc. must be supported by appropriate resolution/authority as applicable, issued on behalf of the nominating organization.
2. The Register of Members and Share Transfer Books of the Company will remain closed from September 25th 2008 to September 30th 2008 (both days inclusive), in terms of the provisions of the Companies Act, 1956 and the Listing Agreement with the stock exchanges where the shares of the Company are listed.
3. Information regarding particulars of the directors to be appointed / re-appointed in terms of the Listing Agreement and the explanatory statement pursuant to section 173 of the Companies Act, 1956, are annexed hereto. The committees considered for the purpose are those prescribed under clause 49(I)(C)(ii) of the Listing Agreement(s) viz. Audit Committee and Shareholders / Investors Grievance Committee of Indian public limited companies.
4. Corporate members are requested to send, a duly certified copy of the board resolution/ power of attorney authorising their representative to attend and vote at the annual general meeting.
5. Members/proxies are requested to bring duly filled admission/attendance slips sent herewith along with the copies of annual reports at the meeting.
6. For the security and safety of the shareholders, no article/baggage including water bottles- and tiffins will be allowed at the venue of the meeting. The members/attendees are strictly requested to not to bring any article/baggage etc. at the venue of the meeting.

7. Members are requested to send all correspondence concerning registration of transfers, transmissions, subdivision, consolidation of shares or any other share related matters and/or change in address, furnishing of details of their bank accounts or updation thereof to Company's Registrars and Transfers Agents.
8. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to write to the Company's Registrars in the prescribed form.
9. Members whose shareholding is in the electronic mode, are requested to forward their requests for change of address and updation of bank account details to their respective depository participants.
10. The documents referred to in the accompanying notice and explanatory statement and statutory registers are open for inspection at the Registered Office of the Company on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. upto the date of annual general meeting and will also be available for inspection at the meeting.
11. Members having any questions on accounts are requested to send them ten days in advance to enable the Company to collect the relevant information.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 5

The Board of Directors appointed Mr. Pradeep Chauhan, as an Additional Director and Whole time Director with effect from May 7, 2008 pursuant to the provisions of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956. Mr. Pradeep Chauhan holds office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Mr. Pradeep Chauhan as a Director of the Company

liable to retirement by rotation, along with the prescribed deposit of Rs.500/-. The information relating to Mr. Pradeep Chauhan is given at the end of this notice.

The Board recommends the above resolution for members' approval to his appointment as a whole time director liable to retire by rotation.

None of the directors except Mr. Pradeep Chauhan, is interested or concerned in the proposed resolution.

Item No. 6

The Board of Directors appointed Mr. Amit Datta Majumdar, as an Additional Director and Managing Director with effect from May 7, 2008 pursuant to the provisions of the Articles of Association of the Company read with Section 260 and other relevant provisions of the Companies Act, 1956. Mr. Amit Datta Majumdar holds office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a Member under Section 257 of The Companies Act, 1956 signifying his intention to propose the candidature of Mr. Amit Datta Majumdar as a Director of the Company, along with the prescribed deposit of Rs.500/-. The information relating to Mr. Amit Datta Majumdar is given at the end of this notice.

The Board recommends the above resolution for members' approval as a Managing Director not liable to retire by rotation.

None of the directors except Mr. Amit Datta Majumdar, is interested or concerned in the proposed resolution.

Item No. 7

Ms. Sabari S. Kambli was appointed as a Whole time director in the Annual General Meeting held on the 30th of September, 2006 for a period of two years. Accordingly her tenure as a whole time Director ends on the date of the ensuing Annual General Meeting i.e. 30th September, 2008. Considering the significant contribution made by her, the Board of Directors of the Company in their meeting held on September 2nd, 2008, resolved to re-appoint Ms. Sabari S. Kambli as

the Whole Time Director, liable to retire by rotation, on the existing terms and conditions approved by the members in the Extra Ordinary General meeting held on June 17th, 2008.

None of the Directors of your Company except Ms. Sabari S. Kambli is concerned / interested in the proposed Resolution.

The Board recommends the Resolution for your approval.

Item No. 8

The Board of Directors appointed Mr. Rajeev Maheshwari, as an Additional Director with effect from December 18, 2007 pursuant to the provisions of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956. Mr. Rajeev Maheshwari holds office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a Member under Section 257 of The Companies Act, 1956 signifying his intention to propose the candidature of Mr. Rajeev Maheshwari as a Director of the Company liable to retire by rotation, along with the prescribed deposit of Rs. 500/-. The information relating to Mr. Rajeev Maheshwari is given at the end of this notice.

The Board recommends the above resolution for members' approval as director liable to retire by rotation.

None of the directors except Mr. Rajeev Maheshwari, is interested or concerned in the proposed resolution.

Item No. 9

In conformity with the Foreign Exchange Management Act, 1999, the limit of investments by Foreign Institutional Investors ("FIIs") is proposed to be 49%, of the paid-up equity capital of the Company, subject to the approval of the members of the Company by way of special resolution.

The FII investment limit of 49% would result into incremental weightage of the Company's shares in



benchmark international stock market indices, which a large number of FIIs follow for their investments worldwide and hence, this increase in FII investment limit will be beneficial to the Company.

The Resolution set out in the Notice will enable the FIIs, who are considered to be prudent investors to acquire shares of the Company through the market. The proposed resolution is enabling in character.

The Board of Directors recommend the resolution for approval of the members.

None of the Directors are interested / concerned in the resolution.

Item No. 10

In conformity with the Foreign Exchange Management Act, 1999, the limit of investments by Non Resident Indians ("NRIs") is proposed to be 24%, of the paid-up equity capital of the Company, subject to the approval of the members of the Company by way of special resolution.

The Resolution set out in the Notice will enable the NRIs to acquire shares through the market. The proposed resolution is enabling in character.

The Board of Directors recommend the resolution for approval of the members.

None of the Directors are interested / concerned in the resolution.

**By order of the Board
For Enso Secutrack limited**

Report  junction.com

Date: September 2, 2008
Place: Hyderabad

Amit Datta Majumdar
Managing Director



Additional Information on directors seeking appointment / reappointment at the Annual General Meeting (pursuant to clause 49 of the listing agreement)

Particulars	Mr. Pradeep Chauhan	Mr. Amit Datta Majumdar	Mr. Rajiv Maheshwari	Ms. Sabari S Kambli	Mr. J.M.Lodha	Mr. Naseem Ahmad
Date of Birth	15/12/1954	01/03/1961	08/05/1964	30/05/1960	24/08/1949	18/08/1941
Qualification	M.A. Economics	B.Tech (IIT)	M.Sc., B.G.L, M.B.A.-NMIMS, Bombay	Chartered Accountant	Chartered Accountant, M.Com, LL.B., PGD in Personnel Management	M.S, AMIETE
Experience & Expertise in specific Functional area	Technical & Management	Technical & Management	Management & Finance	Management & Finance	Management & Finance	Technical & Management
Date of first Appointment on the Board	15/04/1999	07/05/2008	18/12/2007	05/09/1999	19/10/2007	19/10/2007
Relationship with other directors	Nil	Nil	Nil	Nil	Nil	Nil
No. of Board meetings attended during the Previous year	9	Nil	Nil	10	1	2
Direct Shareholding in the Company	3860	Nil	Nil	3500	Nil	Nil
Directorships in other Indian Public Limited Companies (Other than the Company)	Nil	1. Enso Emnet Limited 2. Enso Technologies Limited	1. Win Securities & Finance Limited	Nil	1. Platinum Ocean Energy Limited 2. Enso Technologies Limited	Nil
Membership / Chairmanship of Committees In Public limited Companies in India (Other than the Company)	Nil	Nil	Nil	Nil	Platinum Ocean Energy Limited: Audit Committee Shareholders Grievance Committee	Nil



DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting their 17th Annual Report and Audited Accounts for the Financial Year 2007-2008.

1. FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

PARTICULARS	2007-08	2006-07
Income	6619.64	5023.60
Operating Profit	918.07	688.95
Provision for Taxation	330.15	248.37
Profit after tax	587.03	435.11
Retained Earnings	586.63	432.49

2. NAME CHANGE:

Your Company is pleased to inform you that the name of the company has been changed from TYCHE PERIPHERAL SYSTEMS LIMITED to ENSO SECUTRACK LIMITED.

With a view to have the Company signifying the absolute nature of existence and its expanding lines of businesses, the name of the company is changed to 'Enso Secutrack Limited'. The word 'Enso' means Circle in Japanese and is the symbol of the absolute, the true nature of existence and enlightenment and 'Secutrack' is a coined word, a combination of the word Security and Tracking, which is in furtherance of the company's line of business, as your Company operates in the Electronic Security and Tracking Business.

2. OVER VIEW OF PERFORMANCE DURING THE YEAR 2007-2008:

Your Company has clocked a turnover of Rs.66.19 Crores in the year 2007-08, which is 32% (approx.) more than the previous year's turnover. This is mainly due to orders received from the Banking Industry for DVSS and Queue Management Systems, etc. In addition to the above, earlier installations, during the 2003-04 onwards, have completed the warranty period and the service

income by way of AMCs has also increased. Both the above factors have contributed to the growth in top line. Your Company has also been able to foray into Solar products market, which segment has also contributed to the turnover during the year under review. The current year bottom line has shown a marginal improvement over previous year's percentage i.e. it has grown from 8.60% of sales in previous year to 8.86% of sales of current year.

3. UTILISATION OF FUNDS RAISED DURING THE YEAR 2007-08

Rs.28.59 Crores received upto 31.03.08 (including Rs. 22.65 Crores of Equity Share Warrants Application Money) have been utilized for capital expenditure, development of property and meeting increased working capital requirements.

4. DIVIDENDS:

The Directors do not recommend a dividend for the year, as the retained earnings have been kept in reserve for the proposed new products and towards R&D activities.

5. PUBLIC DEPOSITS:

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

6. DIRECTORS:

Mr. J. M. Lodha and Mr. Naseem Ahmad, retire by rotation at the forthcoming Annual General Meeting and being eligible to be reappointed, offer themselves for reappointment.

Since the last Directors' Report, Mr. Vinay Maloo, Mr. Vinod Kapur, Mr. J. M. Lodha, Mr. Ram PGS, Mr. Naseem Ahmad and Mr. Rajiv Maheshwari were appointed as additional directors during the year.

The Company has received notice from a member under Section 257 of the Companies Act, 1956 proposing the appointment of Mr. Amit Datta Majumdar, Mr. Pradeep Chauhan and Ms. Sabari



S. Kambli to be appointed as Whole time Directors of the Company and Mr. Rajeev Maheshwari as non-executive independent Director of the Company.

A brief profile of the directors, containing details of the Directors proposed to be appointed / reappointed under Clause 49 of the Listing Agreement with the Stock Exchanges is appended as an Annexure to the notice of the ensuing Annual General Meeting.

Mr. Balramkrishanaiah, Mr. K.M.Mannem, Mr. K.Muralidhar, Mr. Vinod Kapur and Ch. Vijay Kumar have resigned as directors from the Company. The Board acknowledges its appreciation for the services rendered by them during their tenure.

7. DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors' report that

- i. In the preparation of the Annual Accounts, the relevant and applicable accounting standards have been followed along with proper explanation relating to material discrepancies if any.
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent in order that the financial statements reflect a true and fair view of the state of the affairs of the Company at the end of the financial year and of the profit of the company for the year.
- iii. The Directors have taken proper and sufficient care for adequate internal control and maintenance of 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.
- iv. The Annual accounts have been prepared on a going concern basis.

8. REPORT ON CORPORATE GOVERNANCE:

Report of Corporate Governance pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges, is given as a separate statement in the Annual Report. A certificate from Auditors, confirming compliance with the requirements of corporate governance is also given separately in this report.

9. MANAGEMENT DISCUSSIONS AND ANALYSIS:

Management discussions and analysis of the Company for the year end review as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges is given as a separate statement (Annexure- A) in the Annual Report.

10. AUDITORS:

M/s S Srinivasan & Co., Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received a certificate from the Auditors to the effect that their appointment, if made will be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956.

11. AUDITORS' OBSERVATIONS:

Your Directors noted for future guidance the observations of Auditors, at para 3 of Auditor's Report.

The individual balances of Sundry Debtors, Creditors, Loans & advances are many in number, in view of the nature of our transactions. Many of the customers are institutions like Banks, Govt. Departments / Undertakings, and similar organizations, as such confirmation from all the parties may not be practical. The Auditor's observations are noted by your Board.