



**ENSO SECUTRACK LIMITED**  
(FORMERLY TYCHE PERIPHERAL SYSTEMS LIMITED)

**20 th  
ANNUAL REPORT  
2010 - 2011**

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## BOARD OF DIRECTORS

Mr. Pradeep Chauhan  
Mr. Hanuman Mal Tater  
Mr. Kanhaiya Lal Bothra  
Mr. Rabi Paul

Whole Time Director  
Director  
Director  
Director

## AUDITORS

**M/s. R. Kabra & Co.**  
Chartered Accountants 515,  
Tulsiani Chambers,  
Narimen Point, Mumbai – 400 021

## SHAREHOLDERS' INFORMATION REGISTERED OFFICE

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

## LISTING

Bombay Stock Exchange Limited  
The Calcutta Stock Exchange Association Ltd.

## Date, Time and Venue of AGM

31-12-2011, 10.30 A.M.  
At Sri Krishna Bhavan  
13-6-436/1/A, Sharada Nagar Lane.  
Karwan, Hyderabad - 500 067

## REGISTRARS & SHARE TRANSFER AGENTS (Physical & Electronic)

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

### APPEAL TO MEMBERS

The Ministry of Corporate Affairs (vide circular nos.17/2011 and 18/2011 dated April 21 and April 29,2011 respectively), has undertaken a “Green Initiative in the Corporate Governance” and allowed companies to service the documents with its shareholders through electronic mode. The Company proposes to send its Notice, Annual Report, etc in electronic form to its Members in support of the Green Initiative of the MCA for all the General Meetings to be held in future.

To encourage the Green Initiative if Members desire to take part in it, Members are requested to support this by registering/updating their e-mail addresses, with their Depository Participants.

Please note that as a shareholder, Members are always entitled to request and receive, free of cost, a printed copy of the Annual Report of the Company and other documents at any point of time during financial year, in accordance with the provisions of the Companies Act,1956.

Thanking you for supporting this unique initiative and assuring you of our best attention at all times.  
For Enso Secutrack Limkited

**Mr. Pradeep Chauhan**  
Whole Time Director

## ENSO SECUTRACK LIMITED

### NOTICE

Notice is hereby given that the 20th Annual General Meeting of the members of 'Enso Secutrack Limited' will be held on Saturday, 31st December, 2011 at Sri Krishna Bhavan, 13-6-436/1/A, Sharada Nagar Lane, Karwan, Hyderabad - 500 067 at 10.30 am to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at September 30, 2011, 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. Pradeep Chauhan, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Mr. Hanuman Mal Tater, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. R.Kabra & 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.

Date: 01-12-2011

For and on behalf of the Board

Place: Hyderabad

HANUMAN MAL TATER

Director

### 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 on 31st December, 2011 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. 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.
4. At the ensuing Meeting, Mr. Pradeep Chauhan and Mr. Hanuman Mal Tater, Director of the company retire by rotation and being eligible, offers himself for reappointment. The details pertaining to Mr. Pradeep Chauhan and Mr. Hanuman Mal Tater required to be provided pursuant to the requirements of Clause 49 of the listing agreement are furnished in a statement as annexure II forming part of this Annual Report.

## DIRECTORS REPORT

Your Directors take pleasure in presenting their 20th Annual Report and Audited Accounts for the Financial Year 2010-11

### 1. FINANCIAL HIGHLIGHTS

	(Rs. in Lacs)	
PARTICULARS	2010-11	2009-10
Income	2042.98	2180.70
Operating Profit	(101.19)	(607.33)
Profit after tax	(101.19)	(609.68)

### 2. OVER VIEW OF PERFORMANCE DURING THE YEAR 2010-2011:

The Company could achieve a turnover of Rs. 20.43 Crores during 12 months ending 30 September, 2011 with net loss of Rs1.01 Crores when compared to turnover and net loss of Rs21.81 Crores and Rs6.10 Crores respectively during the 12 months ended 30th September, 2010.

The Company is an ISO 9001-2000 certified public limited Company engaged in the marketing, manufacture and assembly of automated solutions products for Banks and Retail Applications at large. These range from simple electronic cash registers; note counting, fake note detector, strapping and bundling machines to fully integrated front & back office, Point of Sales Systems, Closed Circuit Television Systems, security and IP based surveillance systems etc. ESL has supplying its products to customers ranging from Banks to Corporate/ Individuals. It has strong Channel Partner. ESL is the Member of International Security Industry Organization (ISIO) and keeps it abreast of the Latest Technology Electronic Security Solutions.

ESL was the FIRST to bring State-of-the-Art Technology “Samsung” Brand Electronic Cash Registers to launch Indigenous Point of Sale, ‘CASHTRON’ brand terminals to obtain RBI approved Technology Transfer for ‘CASHTRON’ brand Currency Counting Machines. The Company has developed a track record for the completion of several projects up to the satisfaction of the esteemed customers.

The company, already an established leader in supply of its equipment to Banking and Retail Industry looked out to venture into varied segments of business which had synergy with its already established class of business.

However inspite of the difficult business scenario, the company successfully implemented various projects last year i.e. Vadodara City Surveillance System, IOCL

Noida, DPW Container Terminal – Kochi, Jammu Railway, KRS Dam and VMS Bangalore.

In addition to the company successfully completed the following projects:

- MMTCT Buildings CCTV
- Cochin International Airport Ltd
- Goa Prisons-SADA Jail Surveillance
- ATM Site Security & Surveillance for Dena Bank
- ATM Site CCTV for Tata-IOB Bank

Further, the following projects are under completion:

- HPCL LPG Bottling Plant Gujarat
- ATM Site CCTV for Tata-HDFC Bank
- ATM Site CCTV for Tata-UCO Bank

These projects included whole range of products and services from concept to completion. The Banking segment remains the comprises prime customer base and with services network after revival is proving to be a strong point in favor of company, thus enabling the company to reclaim its top position as the most preferred vender by its customer in Banking Sector. The company looks at this segment of business as a quick growth driver which should provide the company a bigger platform in the sector. To extend its domain further in Banking Segment, the company has tied up with Talaris, UK to market their latest super Fake Note Detections machines model Ntegra, to cater to huge Cash Deposit counters in India in Banking and Retail heavy cash collection segment. Its experience through already executed projects will help it garner bigger share of market going forward. ESL’s customer are major scheduled and private Banks pan India, SBI, ICICI, IOB, HDFC, Axis Bank, IDBI Bank, UBI, PNB, BOM, UCO, Dena Bank, Syndicate Bank, Karnataka Bank, SBT, SBBJ, CESC Kolkata, Reliance Energy, Vadodara Police, IOCL, Karnataka Police, Tata –TCBIL, DP World, Bangalore Police, etc. To recover from the loss making situation, the Company has been taking several measures. It is trying to reach out to the new customer base coupled with taking cost control measures. The Company has been able to reduce the losses to some extent in the subsequent periods. The Company is now more watchful when it comes to the new initiatives and has the strategy in place to capture the new business segments with the available resources. ESL is now very hopeful to have fair levels of growth in future.

### 3. DIVIDENDS:

The Board has not recommended any dividend for the year 2010-11, as the company has made loss during the financial year under review.

### 4. PUBLIC DEPOSITS:

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

### 5. DIRECTORS:

Mr. Hanuman Mal Tater & Mr. Pradeep Chauhan Directors of the company, retire by rotation at the forthcoming Annual General Meeting and being eligible to be reappointed, offer themselves for re-appointment.

Mr. Amit Datta Amiya Majumdar has resigned as director from the company. The Board acknowledges its appreciation for the services rendered by him during his tenure.

### 6. 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 loss 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.

### 7. 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 Puttaparthi Jagannatham & Co., company secretary, relating to compliance with the requirements of Corporate Governance is also given separately in this report.

### 8. MANAGEMENT DISCUSSIONS AND ANALYSIS:

The Management Discussion and Analysis Report, which gives a detailed account of operations of your Company and the market in which it operates, including initiative taken by the Company to expand its business

and in areas such as human resources, and risk management, forms a part of this Annual Report.

### 9. AUDIT COMMITTEE:

Audit Committee has been reconstituted with the following members:

- 1) Mr. Kanhaiya Lal Bothra
- 2) Mr. Rabi Paul
- 3) Mr. Pradeep Chauhan

### 10. AUDITORS:

M/s R Kabra & 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, in the Auditor's Report.

#### Qualifications & Response to Auditors Report

Para IV, Note no. 1. regarding contingent liabilities : The same will be taken into account when it gets crystallize.

Note no.2, Sales Tax Deferment : The Company was facing sevier financial crises as such could not pay the sales tax deferment amount. The Company is willing to pay the same very shortly.

Para IV, Note No.3 (a), (b) and (d) : During the previous year 2008-09, the Company has issued Foreign Currency Convertible Bonds (FCCBs) amounting to USD 12 millions in the month of May 2008. Accordingly sum incurred in connection with the issue of said FCCBs has been adjusted against the Securities Premium Account in terms of Section 78 of the Indian Companies Act, 1956. It may be noted that the Accounting Standards, were intended to be in conformity with the provisions of applicable laws. However, if a particular accounting standard is found to be not in conformity with such law, the provisions of the said law will prevail and the financial statements shall be prepared in conformity with such law.

Para VI. Note No. 3(c), 4, 5 and 6 : Management is of the opinion that the said investment in the subsidiary M/s Enso Global Securities Ltd requires no provisioning for diminution. With regards to treatment of amount invested in the said subsidiary as "Share Application Money", the same shall be treated as Investment on finalization of the books of the subsidiary when the subsidiary treats the same as its Capital. Due to operational reasons delay has taken place in finalizing the accounts of the subsidiary. Now, with all the details

available, the existing team is in the process to compile the accounts. Further, the accounts of the subsidiary shall be finalized as per the regulations prevailing in Mauritius, where the subsidiary is incorporated.

Note 7(a)(b)(c)(d)(e) & (f) : It may be noted that the Company despite its best efforts, due to cash crunch as explained above, was not regular in payment of statutory dues. The Company is trying to take all possible steps to pay undisputed outstanding statutory dues.

Note No. 9 : The company is covered under group gratuity scheme of LIC and the necessary payments in this regard have been paid to LIC. Employees Benefits" are accounted for as and when paid. Please note that during the year no instance of dispute has arisen in the Company. The Board now proposes to implement the AS-15 and take necessary independent advisory services for determination of necessary facts and figures.

Note No.11 : It may be noted that management is taking necessary steps to realize the amount due from debtors & hence no provision was made for doubtful debts during the year.

Note No.16 : It may be noted that, the individual balances of Sundry Debits and Credits are confirmed in some cases. Most of the customers of the Company are Banks, Govt. Departments / Undertakings, and similar organizations and Company has not faced any problems so far in recovering any of the dues from such customers.

## **12. REPLY TO AUDITOR OBSERVATION ON CORPORATE GOVERNANCE POINT WISE:**

The transactional value is minimal and not substantively material in nature, however, the Accounts of the subsidiary company are being obtained.

## **13. INDUSTRIAL RELATIONS / HUMAN RESOURCES:**

The Board desires to place on record its appreciation for the support and co-operation that the company received from suppliers, from retailers, from banks and others, associated with the Company. The Company has always looked upon them as partners in its progress and has happily shared with them the rewards of growth. It will be the Company's endeavor to build and nurture strong links with trade based on mutual respect and co-operation with each other.

The Directors wish to place on record their appreciation to employees at all levels, for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the company to remain at the forefront of the industry, despite increased competition from several existing and new players.

## **14. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 with respect to conservation of energy, technology absorption and foreign exchange earnings/outgo is appended hereto and forms part of this Report under Annexure 1.

## **15. PARTICULARS OF EMPLOYEES:**

During the year under review, none of the employees were in receipt of remuneration in excess of the limits prescribed under the Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

## **16. ACKNOWLEDGEMENTS:**

The Directors would like to thank employees, shareholders, customers, dealers, suppliers, bankers and all other business associates for the continuous support given by them.

For and on behalf of the Board

Place: Hyderabad  
Date: 14/11/2011

Mr. Pradeep Chauhan  
Whole Time Director

Mr. Hanuman Mal Tater  
Director

## **ANNEXURE TO THE DIRECTORS' REPORT:**

### **ANNEXURE-1**

#### **DISCLOSURE OF PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO AS PER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956 AND THE RULES MADE THEREIN AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 30th SEPTEMBER, 2011.**

##### **(A) CONSERVATION OF ENERGY:**

The operations of Company are not energy intensive. However energy conservation is priority area for the Company & Company is taking various measures to make optimum use of the energy.

Various training programs were also conducted across the organization to increase the awareness for reduction in energy consumption.

##### **(B) 1. TECHNOLOGY ABSORPTION & RESEARCH AND DEVELOPMENT**

Technology absorption of your Company's products is on a continuous basis, based on the R&D efforts of your Company. Your Company makes special efforts to identify customer needs processes, etc. for developing innovative products and market the same. New technologically advanced products such as Touch Screen POSS, CPDT, Touch Screen Kiosks for the Rural Banking Sector, IVS, RS Kiosk Terminals, etc. are being offered to the ever dynamic markets.

##### **(B) 2. IMPACT OF MEASURES TAKEN**

The above measures have helped the Company in offering state-of-art technologically advanced products for transaction automation, which mainly happen in the Retail and Banking Sectors. Your Company has been able to judge the pulse of the market and been able to react very quickly by offering products, which are way ahead of its competitors. This has placed your Company in a pole point position.

##### **(C) FOREIGN EXCHANGE EARNINGS/OUTGOINGS**

Earnings in foreign currency : - Nil –

Expenditure in foreign Currency : 185.21 Lacs

(Purchase of raw materials, goods, spares,  
Foreign travel, R&D etc.)

**For and on behalf of the Board**

Place: Hyderabad

Date: 14/11/2011

Mr. Pradeep Chauhan

Whole Time Director

Mr. Hanuman Mal Tater

Director

**ANNEXURE-II**

**The details pertaining to Mr.Pradeep Chauhan & Mr. Hanuman Mal Tater required to be provided pursuant to the requirements of Clause 49 of the listing agreement**

<b>Particulars</b>	<b>Mr.Pradeep Chauhan</b>	<b>Mr. Hanuman Mal Tater</b>
Date of Birth	15/12/1954	08/11/1960
Qualifications	M.A.Econimics	B.Com
Experience and Expertise in Specific Function Area	Technical & Management	Finance and Management
Date of First Appointment on the Board	15/04/1999	21/10/2009
Relation with Other Director	Nil	Nil
Number of Board Meetings Attended	11	10
Direct Shareholding in the Company	3860	Nil
Directorship in other Indian Public Limited Companies. (other than the Company)	Nil	Burlington Finance Limited
Membership / Chairmanship of Committees in Public Limited Companies in India (Other than the Company)	Nil	Nil

**Annexure - A**
**MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT**
**INDUSTRY OVERVIEW**

Retail space is witnessing tremendous growth potential world over. The hyper growth of Retail chains has thrown up many opportunities for the players in Retail Automation market. The tremendous growth pattern in the Retail segment will see a quantum jump in the opportunities for Automation which will require innovative product induction for ever growing market needs and will also generate expansion of customer support network across the geographical canvass of the country.

In Banking Automation Sector, the multifold increase in customer base for banks will see the introduction of many different innovative products. The automation needs of banks are bringing newer fields of opportunities for companies. The Banking Automation is set to witness a substantial growth by way of introduction of self service terminals, which will be deployed at transaction points, which draw large volumes of customers. The ever jumping, cost graph, for these financial institutions is pushing them to deploy unmanned terminals for various non-interactive operations. This trend will be ushering in a new window of opportunities for companies involved in providing Banking Automation Solutions. Cash still remains the most traded commodity and has substantial role to play in requiring more automation support gadgets and the growth in Cash Handling Devices is not ruled out.

Security & Surveillance presents vast opportunity not only in Retail and Banking but various other fields. For example, in Banking and Retail, most vulnerable areas are the transaction points, which need to be controlled and managed with speed and security. Ever increasing population and Terror threats have made Security , a must.

## COMPANY OVERVIEW

The Company is an ISO 9001-2000 certified public limited Company engaged in the marketing, manufacture and assembly of automated solutions products for Banks and Retail Applications at large. These range from simple electronic cash registers; note counting, fake note detector, strapping and bundling machines to fully integrated front & back office, Point of Sales Systems, Closed Circuit Television Systems, security and IP based surveillance systems etc. ESL has supplying its products to customers ranging from Banks to Corporate/Individuals. It has strong Channel Partner. ESL is the Member of International Security Industry Organization (ISIO) and keeps it abreast of the Latest Technology Electronic Security Solutions.

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