

# OTCO

*Evolving with Passion*

**OTCO INTERNATIONAL LIMITED**

**29th ANNUAL REPORT - 2009-2010**

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## **BOARD OF DIRECTORS**

Collin R Timms	Director
Francis I Alphonso	Director
S. Gokul	Director
Tim Drye	Director
Arvind Agrawal	Non-Executive Director

## **Registered Office**

First Floor Gurusurthy Bhavan  
#139, Infantry Road  
Bangalore-560 001

## **Auditors**

M/s Venkatachalam Aiyer & Co.  
Chartered Accountants

## **Bankers**

Guardian Souharda Sahakari Bank Niyamita,  
139, Infantry Road, Bangalore 560001

State Bank of India,  
Shivaji Nagar Branch, Bangalore 560001

HDFC Bank  
C M H Road,  
Bangalore 560038

## NOTICE

Notice is hereby given that the 29<sup>th</sup> Annual General Meeting of OTCO INTERNATIONAL LIMITED will be held at 10.00 A.M. at 1st Floor, Gurumurthy Bhavan, #139, Infantry Road, Bangalore – 560 001 on Thursday, the 30<sup>th</sup> of September, 2010 to transact the following business.

### ORDINARY BUSINESS

1. To receive, consider and adopt the 29th Annual Report of the Directors, Balance Sheet as at 31<sup>st</sup> March 2010 and the Profit & Loss Account for the year ended 31<sup>st</sup> March 2010, and the Cash Flow Statement for the Financial Year ended 31<sup>st</sup> March, 2010 and Report of the Auditors thereon for the financial year 2009-10.
2. To appoint a Director in place of Mr. S. Gokul, who retires by rotation and being eligible, offers himself for re- appointment.
3. To Appoint M/s Venkatachalam Aiyer & Co, as auditors of the company from the conclusion of 28th Annual General Meeting, until the conclusion of the next Annual General Meeting and fix their remuneration.

By order of the Board

Bangalore  
Date: 03.09.2010

Collin R. Timms  
Director

### 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 PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. INSTRUMENTS OF PROXY IN ORDER TO BE EFFECTIVE TO BE MUST BE DEPOSITED AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in attendance slip for attending the meeting and for easy identification of attendance at the meeting
4. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days except Saturdays, between 11a.m. and 1p.m. till the date of Annual General Meeting.

## DIRECTORS' REPORT

Your directors are pleased to present the 29th Annual Report together with the Audited accounts of your company for the year ended March 31, 2010.

## FINANCIAL HIGHLIGHTS

(Rs. In Lakhs)

PARTICULARS	2009-2010	2008-2009
Income from Software Maintenance	9.16	9.26
Income from Statistical & Data Analysis	0	15.50
Other Income	0	.25
Total Income	9.16	25.02
Total Expenditure	13.26	37.67
Profit / (Loss) before Interest, Depreciation & Tax (PBIDT)	4.10	12.64
Interest	0	0
Profit / (Loss) before Depreciation & Tax (PBDT)	4.10	12.64
Depreciation	4.39	6.87
Profit / (Loss) before Tax (PBT)	8.49	19.52
Provision for Taxation	0	.29
Profit / (Loss) After Tax (PAT)	8.11	19.59

## OPERATIONS (PERFORMANCE)

The Company is in the fifth year of its Credit Referencing Business. OTCO's application for Certificate of Registration with the Reserve Bank of India was under process for the last 4 years. The Reserve Bank of India in February, 2010 has issued a letter rejecting the Company's Application for Registration as a Credit Information Company under the Credit Information Companies (Regulation) Act 2005, and has not substantiated valid reasons known in public domain for rejecting our application for Registration. OTCO has in response to this letter filed an Appeal against the Order passed by the Reserve Bank with the Appellate Authority in the Ministry of Finance, New Delhi challenging it. Our Appeal under the provisions of the Credit Information Companies (Regulation) Act, 2005, Rules 2006 and Regulations 2006 are pending with the Appellate Authority in this matter. The Company has sufficient grounds to believe that our Application to the Reserve Bank merits Registration and are confident that our Appeal will be heard and order will be passed by the Appellate Authority in the Ministry of Finance in favor of the Company.

We are confident that on Registration with the Reserve Bank the Company will be able to quickly roll out its operations in the following financial year and start generating revenue from its network of Credit Institutions.

Your Directors seek your co-operation in passing the resolutions proposed in the Notice to the Annual General Meeting.

**DIVIDEND:**

In view of losses incurred, the Board does not recommend any dividend this year.

**FIXED DEPOSITS:**

Your company has not accepted any Fixed Deposits and the provisions of Section 58A of Companies Act, 1956 are not applicable to the company.

**SATUTORY INFORMATION:**

There were no employees during the year ending 31<sup>st</sup> March 2010 in respect of whom the particulars are required to be disclosed with reference to Section 217 (2A) of Companies Act, 1956.

**PRESENT DIRECTORS OF THE COMPANY**

Mr. Collin R. Timms  
Mr. Francis I. Alphonso  
Mr. S. Gokul  
Dr. Tim Drye  
Mr. Arvind Agrawal

In accordance with the provisions of Article 85 of the Articles of Association, Mr. S. Gokul retires by rotation, and being eligible, offers himself for reappointment.

**STATUTORY AUDITORS:**

M/s Venkatachalam Aiyer & CO, Chartered Accountants, Auditors of the company retires, and being eligible, offer themselves for re appointment. Your directors recommended their reappointment. Shareholders are requested to consider their reappointment.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That the preparation of the Accounts for the financial year ended 31<sup>st</sup> March 2010 the applicable accounting standards have been followed along with proper explanation relating to the material departure.
- (ii) The Director's have selected such accounting policies and applied them consistently and made judgments and estimate that were 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 year ended under review.
- (iii) That the director's have taken proper and sufficient care for the 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.
- (iv) That the Director's have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2010 on a going concern basis.

**CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION:**

The operations of the company are not energy intensive. Adequate measures have however, been taken to reduce energy consumption. No technology was imported during the year

**FOREIGN EXCHANGE EARNINGS AND OUT GO**

During the year, earning in foreign exchange is Nil. The total foreign exchange outflow during the year was Nil.

**REPORT ON CORPORATE GOVERNANCE**

The Corporate Governance requirements are not mandatory for your company. However, your company has made a voluntary compliance of corporate Governance by forming a Share Transfer and Shareholders grievances Committee to attend to share transfers, transmissions, demat and other related activities.

**INFORMATION PURSUANT TO SECRETARIAL STANDARD 2**

General Body Meeting held during the past three years

Date of Meeting	Type of Meeting
29-09-2007	Annual General Meeting
31-12-2008	Annual General Meeting
31-12-2009	Annual General Meeting

**ACKNOWLEDGEMENT:**

Your directors place on record their appreciation of the continued assistance co-operation extended to your company by the Employees at all levels, customers, Business Associates, Bankers and Vendors.

Your directors thank the Government, Stock Exchanges and other Government Agencies for their support during the year.

Your involvement as Shareholders is greatly valued. Your Directors look forward to your continued support.

For and on Behalf of the Board

Bangalore  
Date: 03.09.2010

COLLIN R. TIMMS  
DIRECTOR

FRANCIS I. ALPHONSO  
DIRECTOR

## AUDITORS' REPORT

To  
The Members of  
OTCO INTERNATIONAL LIMITED

1. We have audited the attached Balance Sheet of **OTCO INTERNATIONAL LIMITED** as at 31<sup>st</sup> March 2010, and also the Profit and Loss Account and the Cash Flow statement for the year ended on that date annexed thereto. These Financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the 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 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.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India, in terms of Sub Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branch not visited by us and have been appropriately dealt with ;
  - iii. The Balance Sheet, the Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;
    - (a) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report comply with the accounting standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956.
  - iv. On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2010 from being appointed



as a director in the terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

v. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2010;
- b) in the case of Profit and Loss Account, of the Loss for the year ended on that date; and
- c) in the case of the Cash Flow statement, of the cash flows for the year ended on that date.

**For K. VENKATACHALAM AIYER &  
CO,**

**Chartered Accountants**

**Place: Bangalore  
Date: June 30, 2010**

**M.Sivakumar  
Partner  
(Membership No. 23844)**

## ANNEXURE

Ref: OTCO INTERNATIONAL LIMITED

**Annexure referred to in paragraph 3 of our report of even date.**

- i.
  - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
  - b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. We have been informed that no material discrepancies were noticed on such verification.
  - c) During the year, the company has not disposed off a major part of the plant and machinery.
- ii. The company is in the business of software development and the provision of credit information & referencing services and as such physical existence, verification of inventories etc., are not applicable to the company. The valuation of stock-in-trade is fair and is in accordance with the normally accepted Accounting principles.
- iii. In our opinion and based on the information provided to us, the company has not granted any loans to companies, firms or other parties to be covered in the register maintained under Section 301 of the Companies Act, 1956. A Short-Term Loan was taken from a Director, the Terms & Conditions are Prima Facie not prejudicial to the interest of the Company.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v. In our opinion and according to the information and explanations given to us, no transactions were made that needs entry in the register maintained under section 301 of the Companies Act, 1956.
- vi. The company has not accepted any deposits from the public, hence the question of compliance with the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 does not arise.

- vii. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii. We have been informed that maintenance of cost accounts under Section 209 (1) (d) of the Companies Act, 1956 has not been prescribed by the Central Government for this Company.
- ix. (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, cess and other material dues applicable to it.

(b) According to the information and explanations given to us, the following undisputed statutory dues have not been remitted:

1. Provident Fund	Rs. 26,689/-
2. ESI	Rs. 16,582/-
3. TDS	Rs. 60,862/-
4. Professional Tax	Rs. 6,570/-
5. FBT	Rs. 29,720/-
6. Service Tax	Rs. 1,42,683/-

(c) According to the information and explanations given to us, there are no dues of sale tax , income tax ,customs duty , wealth tax, excise duty and cess which have not been deposited on account of any dispute.

- x. In our opinion, the accumulated losses of the company is not more than fifty percent of its net worth. The company has incurred cash losses during the financial year covered by our audit and in the immediately preceding the financial year.
- xi. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- xii. The Company had not granted loans & advances on the basis of security by way of pledge of shares, debentures, and other securities
- xiii. In our opinion, the company is not a chit fund or a *nidhi* /mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xiv. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments except as an investor. However, proper

records were maintained by the company and the investments are being held in the name of the company only.

- xv. According to the information and explanations given to us, the company has not given guarantees for loans taken by others from banks or financial institutions.
- xvi. In our opinion and according to the information given to us the company did not have any term loans outstanding during the year.
- xvii. According to the information provided to us, the Company has not raised any funds on short term basis.
- xviii. According to the information and explanations given to us, during the period covered by our audit report, the Company Unit has not made any preferential allotment of shares.
- xix. As the Company has not issued any debentures, the question of any outstanding debentures during the year is not applicable.
- xx. The Company has not raised any money by public issues during the financial year 2009-2010.
- xxi. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**For K. VENKATACHALAM AIYER & CO,**

Chartered Accountants

Place: Bangalore

Date: 30th June 2010

M. Sivakumar

*Partner*

(Membership No. 23844)

**OTCO INTERNATIONAL LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2010**

Particulars	Schedule No.	31.03.2010 Rs	31.03.2009 Rs
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	25,936,240	25,936,240
Reserves and Surplus	2	3,087,500	3,087,500
Share Warrants			-
Deferred Tax Liability		715,270	715,270
Short Term Loan		17,000	-
<b>TOTAL</b>		<b>29,756,010</b>	<b>29,739,010</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	3	17,592,733	17,683,036
Less : Depreciation		16,780,293	16,340,641
Net Block		812,440	1,342,395
<b>INVESTMENTS</b>			
	4	121,587	121,587
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Closing Stock (As taken, Valued & Certified by the Management)		15,105,468	15,105,468
Sundry Debtors	5	2,632,604	2,646,604
Cash and Bank Balances	6	60,780	121,700
Loans and Advances	7	1,443,111	1,347,655
		19,241,963	19,221,427
<b>LESS: CURRENT LIABILITIES AND PROVISIONS</b>			
A. Current Liabilities	8	909,025	844,801
		<b>909,025</b>	<b>844,801</b>
Net Current Assets		18,332,938	18,376,626
Balance in Profit and Loss Account		(10,489,045)	(9,677,808)
<b>TOTAL</b>		<b>29,756,010</b>	<b>29,739,010</b>
<b>Significant Accounting Policies and Notes on Accounts</b>			
Significant Accounting Policies	9		
Notes forming parts of Accounts	10		

This is the Balance Sheet referred to  
in our report of even date.

For and on behalf of Board

For K. Venkatachalam Aiyer & Co.  
Chartered Accountants

Collin R. Timms  
Director

Francis I. Alphonso  
Director

M. Sivakumar  
Partner  
M No. 023844

Place: Bangalore  
Date : 30th June, 2010

**OTCO INTERNATIONAL LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010**

Particulars	Schedule No.	31.03.2010 Rs	31.03.2009 Rs
<b><u>A.INCOME</u></b>			
Software Development	11	916,000	926,600
Professional Fees For Data & Statistical Analysis		-	1,550,492
Other Income	12		25,000
Closing Stock (As Taken, Valued & Certified by the Management)		15,105,468	15,105,468
<b>Total - A</b>		<b>16,021,468</b>	<b>17,607,560</b>
<b><u>B.EXPENDITURE</u></b>			
Opening Stock		15,105,468	15,105,468
Marketing Expenses	13	-	234,136
Payment to and Provisions for Employees		290,799	1,284,380
Administrative and General Expenses	14	1,035,312	2,248,382
<b>Total - B</b>		<b>16,431,579</b>	<b>18,872,365</b>
<i>Operating Profit subject to depreciation (A-B)</i>		(410,111)	(1,264,806)
Depreciation		439,652	687,852
Profit/Loss before Tax		(849,763)	(1,952,658)
Add/Less: Prior period adjustment (Net)		38,525	22,527
<b><u>Provision for Taxation :</u></b>			
Current Tax			
Fringe Benefit Tax			29,720
Deferred Tax			
Profit after Tax		(811,238)	(1,959,851)
Profit brought forward from last Year		(9,677,807)	(7,717,957)
Amount available for Appropriation		(10,489,045)	(9,677,808)
Amount transferred to General Reserve			
Interim dividend Paid including Tax			
Proposed Dividend			
Balance carried to Balance Sheet		(10,489,045)	(9,677,808)
		<b>(10,489,045)</b>	<b>(9,677,808)</b>
Weighted average number of Shares at the end of the Year		<b>2,162,854</b>	<b>2,162,854</b>
Basic and Diluted Earnings Per Share		<b>NIL</b>	<b>NIL</b>

This is the Profit and Loss account referred to  
in our report of even date.

For and on behalf of Board

For K. Venkatachalam Aiyer & Co.  
Chartered Accountants

Collin.R.Timms  
Director

Francis I. Alphonso  
Director

M. Sivakumar  
Partner  
M NO 023844

Place: Bangalore  
Date : 30th June, 2010

**OTCO**

**Schedules annexed to and forming part of the Balance Sheet  
as at 31<sup>st</sup> March 2010**

Particulars	31.03.201 Rs	31.03.2009 Rs
<b>Schedule 1. SHARE CAPITAL</b>		
<b>Authorised</b> 3000000 Equity Shares of Rs. 10/- each	30,000,000	30,000,000
<b>Issued</b> 2593624 Equity Shares of Rs. 10/- each * (Previous Year 2593624 Equity shares of Rs. 10/- each-)	25,936,240	25,936,240
<b>Subscribed and Paid-up</b> 2593624 Equity Shares of Rs. 10/- each * Subscribed and fully paid-up in Cash (Previous Year 2593624 Equity shares of Rs. 10/- each)	25,936,240	25,936,240
	<b>25,936,240</b>	<b>25,936,240</b>
<b>Schedule 2. RESERVES AND SURPLUS</b>		
<b>1. Share Premium</b>	287,500	287,500
<b>2. General Reserve</b> Balance b/d	2,800,000	2,800,000
<b>3. Profit and Loss Account</b>		-
	<b>3,087,500</b>	<b>3,087,500</b>
<b>Schedule 4. INVESTMENTS</b>		
<b>Unquoted</b> Omnisoft Joint Venture Co (25000 Equity shares of 0.86 ps [10 Bangladeshi taka] each)	21,597	21,597
Otco Infotech Pvt Ltd (9999 Equity shares of Rs.10/- each)	99,990	99,990
	<b>121,587</b>	<b>121,587</b>
<b>Schedule 5. SUNDRY DEBTORS</b> (Unsecured & considered good by the Management) Debts outstanding for a period exceeding six months Other Debts	2,632,604	2,645,604
	<b>2,632,604</b>	<b>2,645,604</b>
<b>Schedule 6. CASH AND BANK BALANCES</b> Cash in Hand (As per Cash Book and certified by the management) Balance with Scheduled Banks -in Current Accounts - In Fixed Deposits	8,231 31,209 21,340 <b>60,780</b>	11,528 88,832 21,340 <b>121,700</b>
<b>Schedule 7. LOANS AND ADVANCES</b> <i>Unsecured and considered good</i> Advances recoverable in cash or in kind or Advance to Staff pending adjustment, if any : Advances to Others Advance Fringe Benefit Tax Paid Tax deducted at source Security Deposits	- 230,499 - 869,213 343,399 <b>1,443,111</b>	- 230,499 - 773,757 343,399 <b>1,347,655</b>
<b>Schedule 8. CURRENT LIABILITIES</b> For Other Expenses Payable	909,025 <b>909,025</b>	623,205 <b>623,205</b>
Place : Bangalore Date : 30th June, 2010		

**Schedule to the Balance Sheet as at 31<sup>st</sup> March 2010**

**Schedule 3.  
FIXED ASSETS**

Assets	Gross Block			Depreciation Block			Net Block		
	Cost as at 01.04.2009	Additions during the year	Deductions during the year	Cost as at 31.03.2010	As at 01.04.2009	For the year	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
Computer Hardware	5427318	0	0	5427318	5276342	60390	5336732	90586	150976
Computer Software	10328608	0	0	10328608	9603828	289912	9893740	434868	724780
Plant and Machinery	1132648	0	55803	1076845	821992	62881	884873	191971	310656
Furniture and Fixtures	794462	0	34500	759962	638479	26468	664947	95015	155983
<b>Total</b>	<b>17683036</b>	<b>0</b>	<b>90303.41</b>	<b>17592733</b>	<b>16340641</b>	<b>439652</b>	<b>16780293</b>	<b>812440</b>	<b>1342395</b>
Previous Year	17564427	118609	0	17683036	15652789	687852	16340640	1342396	1911638



## **SCHEDULE : 9**

### **SIGNIFICANT ACCOUNTING POLICIES :**

#### **1. Basis of Accounting :**

- (a) These accounts are prepared on the historical cost basis and on the accounting principles of a going concern.
- (b) Accounting policies which not specifically referred to are consistent and in consonance with generally accepted accounting principles.

#### **2. Revenue Recognition :**

Expenses and Income considered payable and receivable respectively are accounted on accrual basis.

#### **3. Fixed Assets :**

Fixed Assets are stated at cost of acquisition inclusive of taxes and incidental expenses.

#### **4. Depreciation:**

Depreciation of fixed assets is provided on straight-line basis over their estimated useful lives at the rates which are higher than the rate prescribed in Schedule XIV of the Companies Act, 1956. Individual assets for less than Rs.5000 are entirely depreciated in the year of acquisition. The estimated useful lives are as follows:

Computer and Peripherals - 3 years

Office Equipment - 5 years

In the case of purchase of assets, depreciation has been provided on pro-rata basis from the date of purchase of those assets.

#### **5. Valuation of Closing Stock :**

Inventories are valued at lower of cost (determined on first-in-first-out basis) and Market value.

#### **6. Foreign Currency Transactions :**

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the transaction. At the year-end, all the monetary assets and liabilities denominated in foreign currency are restated at the closing exchange rates. Exchange differences resulting from the settlement of such transactions and from the translation of such monetary assets and liabilities are recognized in the Profit and Loss Account.

## SCHEDULE : 10

### Notes forming part of Balance Sheet as at 31<sup>st</sup> March 2010 and Profit and Loss Account for the year ended on that date :

1. AS -17/ AS - 20/ AS - 22:

**AS - 17 Segmental Reporting**

Segmental Reporting has not been prepared in relation to the Company as the Company has only one major segment of Credit Information.

**AS - 20 Earnings Per Share**

Basic & Diluted Earnings Per Share has been reflected in Profit & Loss Account.  
Basic & Diluted Earnings Per Share for the Year under audit is Nil  
(Previous Year Rs. 0.00/- Per Share)

**AS - 22 Taxes On Income**

Deferred Tax Liability has been shown separately below Reserves & surplus.

2. Figures for the previous year have been regrouped and/or re-arranged wherever necessary and have been rounded-off to the nearest rupee.
3. Confirmation of balances from parties has not been received till date.
4. Sundry Creditors do not include any amount due to small Scale Industrial Undertakings as at 31<sup>st</sup> March 2008.
5. Earnings in Foreign Currency:

	As on 31.03.2010 Rs	As on 31.03.2009 Rs
Professional Fees for Statistical & Data Analysis	Nil	15,50,492
Total	Nil	15,50,492

6. Total Auditors Remuneration:

	As on 31.03.2010 Rs	As on 31.03.2009 Rs
As Auditors	30,000	30,000
Service Tax	3,090	3,090
Other Services	2,000	2,000
Total	35,090	35,090

7. There are no whole time directors. Managerial Remuneration paid to the non-whole time directors by way of sitting fees for the year is Nil as the Directors have waived off the fees payable to them.  
(Previous year Rs. 15,000/-)
8. Expenditure in Foreign Currency :  
Marketing Expenses : Nil  
(Previous Year Rs. Nil/-)  
Business Promotion Expenses: NIL  
(Previous Year: Rs. Nil/-)
9. The Bank Accounts opened for the payment of Dividend has been converted into Unclaimed Dividend Account. The Unclaimed Dividend at the year end is:  
Final Dividend (00-01) Rs. 6,290/-  
Interim Dividend (01-02) Rs. 9,870/-  
Final Dividend (01-02) Rs. 12,570/-

These amounts are proposed to be transferred during the Current Financial Year.

For and on behalf of Board,

For K.Venkatachalam Aiyer & Co.,  
Chartered Accountants

Collin R. Timms  
Director

Francis I. Alphonso  
Director

M. Sivakumar  
Partner

Place: Bangalore  
Date: June 30, 2010

**Schedules annexed to and forming part of the Profit & Loss Account  
for the year ended 31<sup>st</sup> March 2010**

Particulars		31.03.2010 Rs	31.03.2009 Rs
<b>Schedule 11. SOFTWARE DEVELOPMENT</b>			
Software Maintenance charges		916,000	926,600
Sale of Software		-	25,000
		<b>916,000</b>	<b>951,600</b>
<b>Schedule 12. OTHER INCOME</b>			
Interest		-	-
Exchange Gain		-	-
		-	-
<b>Schedule 13.</b>			
Marketing Expenses		-	213,049
Travelling		-	21,087
		-	<b>234,136</b>
<b>Schedule 14. ADMINISTRATIVE AND GENERAL EXPENSES</b>			
Legal, Professional and Technical Charges	19	511,000	664,350
Rent, Rates and Taxes	15	27,240	568,694
Server Co-location Charges		159,935	212,191
Electricity and Water Charges		-	120,681
Repairs and Maintenance	20	9,405	65,382
Postage, Telegram & Telephone	21	15,410	89,734
Auditors Remuneration		46,532	35,296
Printing and Stationery	16	14,670	44,187
Listing Fees		6,618	14,495
Advertisement and Subscription		29,863	32,567
Internet and Email Charges		32,384	69,295
Travelling and Conveyance	17	72,705	108,907
Filing Fees	18	9,500	23,995
Exchange Differences(Net)		-	93,843
Directors Sitting Fees		-	15,000
Miscellaneous Expenses		80,333	43,880
Book and Periodicals		-	780
Expenses & Interest on TDS		-	1,325
Bank Charges		1,553	12,057
Domain Registration		10,047	11,498
Register and Transfer Charges		5,000	20,224
Interest on Provident Fund		1,814	-
Loss on sale of fixed assets		1,303	-
		<b>1,035,312</b>	<b>2,248,381</b>

Place : Bangalore

Date : 30th June, 2010

**CASH FLOW STATEMENT**  
( Prepared Pursuant to Listing Agreement)

	For the year ended 31st March, 2010 (Rs.)		For the year ended 31st March, 2009 (Rs.)	
<b>A. Cash Flow From Operating Activities</b>				
Net Profit/(Loss) before Tax and extra Ordinary Items		-811238		-1930130
Adjustment For :				
Depreciation	439652		687852	
Loss on Sale of Investment				
Profit on Sale of Investment				
Interest and Dividend	0		0	
		439652		687852
Operating Profit before working capital changes		-371586		-1242278
Adjustments For :				
Inventories				
Trade and other receivables	81456		-1605596	
Trade payable	64224	17233	221596	-1384000
Cash Generated from operations		-388818		141722
Income Tax paid		0		29720
Net Cash from operating activities		-388818		112002
<b>B. Cash Flow From Investing Activities</b>				
Purchase of Fixed Assets	0		118609	
Purchase of Investments				
Increase in Share-capital				
Sale of Investment				
Interest and Dividend receipt	0		0	
Net Cash from Investing Activities		0		118609
Carried over		-388818		230611
<b>C. Cash Flow From Financing Activities</b>				
Increase in Share Capital	0		0	
Share Warrants				
Share Premium	0		0	
Dividends Paid (Including Tax)				
Net Cash from Financing Activities		0		0
Net Cash Inflow/(Outflow)		-388818		230611
Cash and Cash equivalents as at 1st April, 2009		121700		128305
Cash and Cash equivalents as at 31st March, 2010		60780		121700
Net Cash Outflow/(Inflow)		-60920		-6605

This is the cash flow statement referred to in  
our report of even date  
For K.Venkatachalam Aiyer & Co.,  
Chartered Accountants

For and on behalf of Board

Collin R.Timms  
Director

Francis I. Alphonso  
Director

Place : Bangalore  
Date :30th June,2010

M.Sivakumar  
Partner

**OTCO INTERNATIONAL LIMITED**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

(As per part (IV) of schedule VI of the Companies Act ,1956)

**I Registration Details**

Registration Number

2 8 6 1 1

State Code 0 8

Balance Sheet

3 1

0 3

2 0 1 0

Date

Month

Year

**II Capital Raised during the Year**

(Amount in Rs Thousands)

Public Issue

N I L

Right Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

**III Position of Mobilisation and deployment of Funds**

(Amount in Rs Thousands)

Total Liabilities

2 9 7 5 6

Total Assets

2 9 7 5 6

Sources of Fund

Paid-up Capital

2 5 9 3 6

Reserves & Surplus

0 3 0 8 7

Secured Loans

N I L

Unsecured Loans

N I L

Application of Funds

Net Fixed Assets

0 0 8 1 2

Investments

0 0 1 2 1

Net Current Assets

1 8 3 3 2

Miscellaneous Expenditure

N I L

Accumulated Losses

1 0 4 8 9

**IV Performance of Company**  
(Amount in Rs Thousands)

		Turnover						Total Expenditure					
				9	1	6				1	3	2	6
		Profit/Loss before Tax						Profit after Tax					
+	-			8	4	9	+	-			8	1	1
		Earning per share in Rs						Dividend Rate %					
		N I L						0 0					

**V Generic Names of Three Principal Products/ Services of Company ( as per Monetary terms)**

Item Code  
(ITC CODE)

N O T A P P L I C A B L E

Product Description

C R E D I T I N F O R M A T I O N

**Signed for Identification:**  
For and on behalf of Board

For K Venkatachalam Aiyar & Co.,  
Chartered Accountants

Sd/-  
Collin R. Timms  
Director

Sd/-  
Francis I. Alphonso  
Director

Sd/-  
M. Shivkumar  
Partner

Place: Bangalore  
Date: June 30, 2010

# OTCO

*Evolving with Passion*

If undelivered, Please return to :

*OTCO International Limited  
#4, 3rd Floor, Prime Centre,  
Sri Krishna Temple Road,  
Indiranagar, Bangalore - 560 038.  
India*

*To,*

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.....  
.....  
*Pincode:*