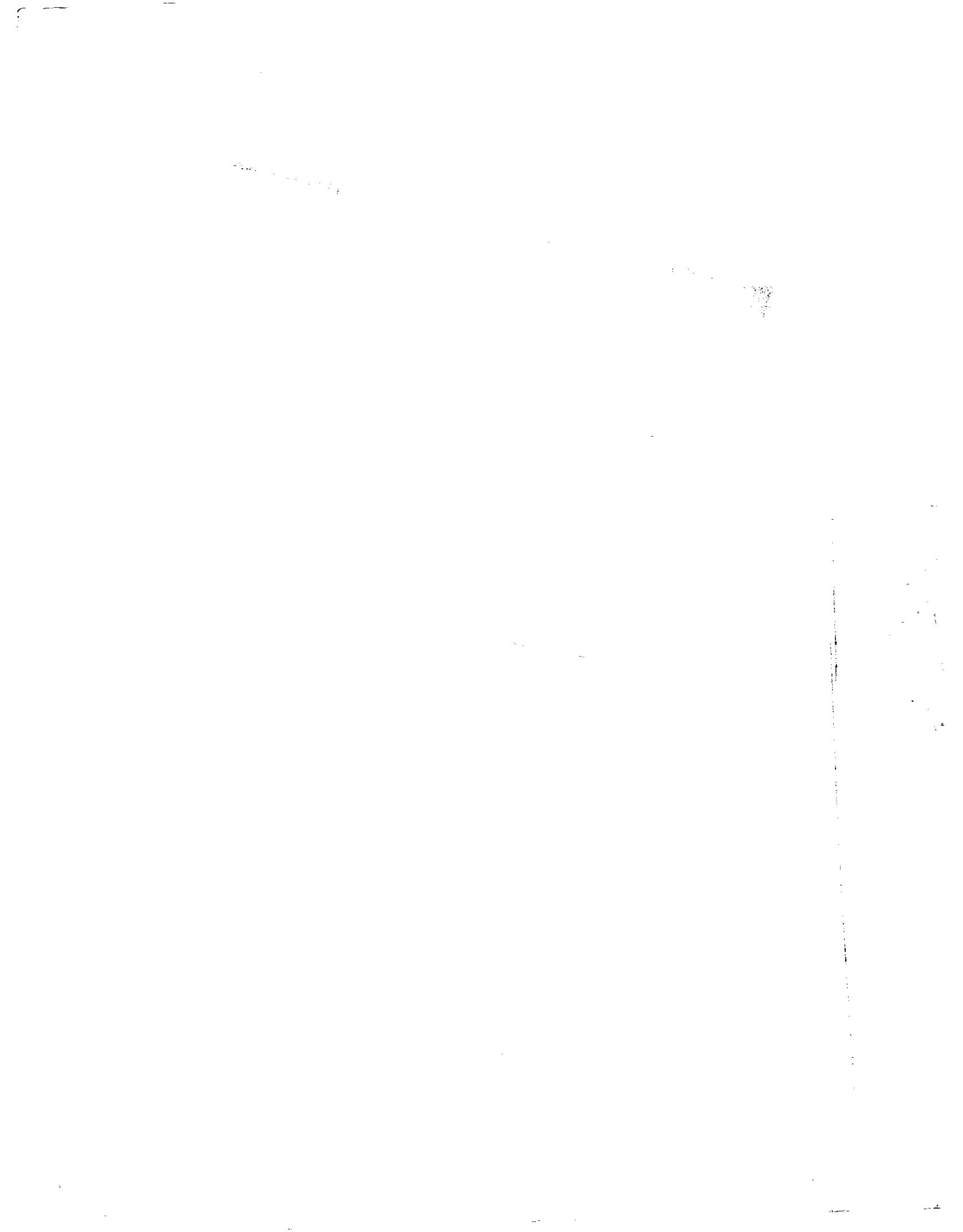


OTCO

Evolving with Passion

OTCO INTERNATIONAL LIMITED

30th ANNUAL REPORT 2010 - 2011



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BOARD OF DIRECTORS

Collin R. Timms
Director

Francis I. Alphonso
Director

Eric Jacob
Director

Dr. Tim Drye
Director

Arvind Agrawal
Non - Executive Director

Registered Office
No. 139, 1st Floor
Gurumurthy Bhavan
Infantry Road
Bangalore 560001

AUDITORS
M/s Venkatachalam Aiyer & Co.
Chartered Accountants

BANKERS
Guardian Souharda Sahakari Bank Niyamita
No. 139, Infantry Road, Bangalore 560001

State Bank of India
Shivajinagar, Bangalore 560001

NOTICE

Notice is hereby given that the 30th Annual General Meeting of OTCO INTERNATIONAL LIMITED will be held at 10.30 A.M. at The Bridge Foundation Auditorium, 1st Floor, No.139, Infantry Road, Bangalore 560 001 on Thursday, the 29th September, 2011 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the 30th Annual Report of the Directors, Balance Sheet as at 31st March 2011 and the Profit & Loss Account for the year ended 31st March 2011, and the Cash Flow Statement for the Financial Year ended 31st March, 2011 and Report of the Auditors thereon for the financial year 2010-11.
2. To appoint a Director in place of Mr. Arvind Agrawal, 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 29th Annual General Meeting, until the conclusion of the next Annual General Meeting and fix their remuneration.

By order of the Board

Bangalore
Date: 05.09.2011

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

To the Members:

Your directors are pleased to present the 30th Annual Report together with the Audited accounts of your company for the year ended March 31, 2011.

FINANCIAL HIGHLIGHTS

(Rs. In Lakhs)

PARTICULARS	2010-2011	2009-2010
Income from Software Maintenance	6.57	9.16
Other Income	0.00	0.39
Total Income	6.57	9.55
Total Expenditure	8.28	13.26
Profit / (Loss) before Interest, Depreciation & Tax (PBIDT)	(1.71)	(3.72)
Interest	0.00	0.00
Profit / (Loss) before Depreciation & Tax (PBDT)	(1.71)	(3.72)
Depreciation	2.56	4.40
Profit / (Loss) before Tax (PBT)	(4.27)	(8.11)
Provision for Taxation	(0.00)	0.00
Profit / (Loss) After Tax (PAT)	(4.27)	(8.11)

OPERATIONAL (PERFORMANCE)

The Company is in the Sixth year of its Credit Referencing Business. OTCO had submitted its Application for a Certification of Registration with the Reserve Bank of India in accordance with the provisions of The Credit Information Companies (Regulation) Act 2005, Rules and Regulations 2006 on 20th July 2007. A High Level Advisory Committee (HLAC) set up by Reserve Bank of India considered our Application in light of the information provided by us. The Committee has opined that our application does not merit the recommendation. The Reserve Bank of India considered the recommendation of HLAC and rejected our Application.

We have moved our application to Appellate Authority of Minister of Finance as provided by The Credit Information Companies (Regulation) Act, 2005 and the matter is under their consideration.

Your Directors seek your co-operation in passing the resolutions proposed in the Notice to the AGM.

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 31st March 2011 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. Francis I. Alphonso
Mr. S. Gokul
Mr. Collin R. Timms
Dr. Tim Drye
Mr. Arvind Agrawal

In accordance with the provisions of Article 85 of the Articles of Association, Mr. Arvind Agrawal 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 31st March 2011 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 31st March, 2011 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
31.12.2008	Annual General Meeting
31.12.2009	Annual General Meeting
30.09.2010	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: 05.09.2011

Collin R. Timms
Director

Francis I. Alphonso
Director

COMPLIANCE CERTIFICATE

The Members,
Otco International Limited
CIN No. 08/28611

I have examined the registers, records, books and papers of OTCO International Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2011. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under and with additional fee where there is a delay in filing.
3. The Company, being a public limited company, comments with respect to maximum number of members is not required. The Company is having the minimum prescribed capital.
4. The Board of Directors duly met 4 (Four) times on 30/06/10, 30/07/10, 29/10/10 and on 31/01/2011 in respect of which meetings the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members during the financial year *which was mandatory under the Listing Agreement*.
6. The Annual General Meeting for the financial year ended on 31st March, 2010 was held on 30th September, 2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra - ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company:
 - (i) has not made any allotment of securities and has delivered all the certificates on lodgement thereof for transfer / transmission of securities with the Share Registry M/s Integrated Enterprises (India)

Limited (formerly known as Alpha Systems Private Limited), Bangalore in accordance with the provisions of the Act during the financial year.

- (ii) has not deposited any amount in a separate bank account as no dividend was declared during the financial year.
 - (iii) has not declared any dividend during the financial year hence the postage of warrants for dividends does not arise.
 - (iv) *has not transferred the amounts relating to the period 2000-01 and 2001-02 amounting to Rs.28,730/- in unpaid dividend account and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund and there was no application money due for refund, matured deposits, matured debentures during the year.*
 - (v) has duly complied with the requirements of Section 217 of the Act.
14. The Board of directors of the company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
 15. The Company has not appointed any Managing Director / Whole-time Director / Manager during the financial year.
 16. The Company has not appointed any sole selling agents during the year.
 17. As per the explanations given, the Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act during the financial year.
 18. The directors have disclosed their interest in other Firms/Companies to the Board of Directors *except for two directors from whom the Company has not received the disclosure* pursuant to the provisions of the Act and the rules made there under.
 19. The Company has not issued any shares, debentures or other securities during the financial year.
 20. The Company has not bought back any shares during the financial year.
 21. There was no redemption of preference shares or debentures during the financial year.
 22. There were no transactions, necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.
 23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
 24. The Company has not made any borrowings during the financial year ended 31st March, 2011
 25. The Company has not made any loans and investments or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose during the year under consideration.
 26. The Company has not altered any of the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.

27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year for offences under the Act.

However, as explained to us, the Company has received notices under the Stock Exchange regulations for various non-compliances.

32. The Company has not received any money as security from its employees during the financial year.
33. As per the explanations given, the company has not deducted any contribution towards Provident Fund pursuant to section 418 of the Act.

For, **SNM Associates**
Company Secretaries
Sd/-

S. N. Mishra
Proprietor
C. P. No. : 4684
FCS No. : 6143

Place: Bangalore
Date: 30th May, 2011

Annexure - A

Registers maintained by the Company

Sl. No.	Name of Register	Applicable Section of the Companies Act.,
1	Register of Members	150
2	Register of Transfer	108
3	Register of Directors, Manager/ Secretaries	303
4	Register of Director's share holding	307
5	Register of Companies in which Directors are interested	301 (3)
6	Register of Contracts	279, 299 and 301
7	Register of Charges	143(1)
8	Register of Common Seal	34 with Table A

Annexure BForms and Return as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2011

Sl. No.	Form No	Filed u/s	Particulars
NIL			

AUDITORS' REPORT

To
The Members of
OTCO INTERNATIONAL LIMITED

1. We have audited the attached Balance Sheet of **OTCO INTERNATIONAL LIMITED** as at 31st March 2011, 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 31st March 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 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 31st March 2011;
 - 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: 30.05.2011

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 taken any loans nor granted any loans to or from companies, firms or other parties to be covered in the register maintained under Section 301 of the Companies Act, 1956.
- 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.
 - (b) 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 2010-2011.
- 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: 30.05.2011

M. Sivakumar
Partner
(Membership No. 23844)

OTCO INTERNATIONAL LIMITED
BALANCE SHEET AS AT 31ST MARCH 2011

Particulars	Schedule No.	31.03.2011 Rs	31.03.2010 Rs
<u>SOURCES OF FUNDS</u>			
SHAREHOLDERS' FUNDS			
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		801,500	17,000
TOTAL		30,540,510	29,756,010
<u>APPLICATION OF FUNDS</u>			
FIXED ASSETS			
Gross Block	3	17,594,833	17,592,733
Less : Depreciation		17,036,474	16,595,338
Net Block		558,358	997,395
INVESTMENTS			
	4	34,997	121,587
CURRENT ASSETS, LOANS AND ADVANCES			
Closing Stock (As taken, Valued & Certified by the Management)		15,105,468	15,105,468
Sundry Debtors	5	2,552,085	2,632,604
Cash and Bank Balances	6	107,520	60,780
Loans and Advances	7	1,580,231	1,443,111
LESS: CURRENT LIABILITIES AND PROVISIONS		19,345,304	19,241,963
A. Current Liabilities	8	314,713	909,025
		314,713	909,025
Net Current Assets		19,030,591	18,332,938
Balance in Profit and Loss Account		(10,916,563)	(10,304,090)
TOTAL		30,540,510	29,756,010
Significant Accounting Policies and Notes on Accounts			
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

Place: Bangalore
Date: 30.05.2011

OTCO INTERNATIONAL LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

Particulars	Schedule No.	31.03.2011 Rs	31.03.2010 Rs
<u>A. INCOME</u>			
Software Development	11	657,000	916,000
Professional Fees For Data & Statistical Analysis		-	-
Other Income	12	-	-
Closing Stock (As Taken, Valued & Certified by the Management)		15,105,468	15,105,468
Total - A		15,762,468	16,021,468
<u>B. EXPENDITURE</u>			
Opening Stock		15,105,468	15,105,468
Marketing Expenses	13	-	-
Payment to and Provisions for Employees		95,749	290,799
Administrative and General Expenses	14	899,691	1,035,312
Total - B		16,100,908	16,431,578
<i>Operating Profit subject to depreciation (A-B)</i>		<i>(338,440)</i>	<i>(410,111)</i>
Depreciation		256,182	439,652
Profit/Loss before Tax		(594,622)	(849,763)
Add/Less: Prior period adjustment (Net)		167,104	38,525
<u>Provision for Taxation :</u>			
Current Tax			
Fringe Benefit Tax			
Deferred Tax			
Profit after Tax		(427,518)	(811,236)
Profit brought forward from last Year		(10,489,045)	(9,677,807)
Amount available for Appropriation		(10,916,563)	(10,489,045)
Amount transferred to General Reserve			
Interim dividend Paid including Tax			
Proposed Dividend			
Balance carried to Balance Sheet		(10,916,563)	(10,489,045)
		(10,916,563)	(10,489,045)
Weighted average number of Shares at the end of the Year		2,162,854	2,162,854
Basic and Diluted Earnings Per Share		NIL	NIL

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: 30.05.2011

**Schedules annexed to and forming part of the Balance Sheet
as at 31st March 2011**

Particulars	31.03.2011 Rs	31.03.2010 Rs
Schedule 1.		
SHARE CAPITAL		
Authorised 3000000 Equity Shares of Rs. 10/- each	30,000,000	30,000,000
Issued 2593624 Equity Shares of Rs. 10/- each * (Previous Year 2593624 Equity shares of Rs. 10/- each-)	25,936,240	25,936,240
Subscribed and Paid-up 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
	25,936,240	25,936,240
Schedule 2.		
RESERVES AND SURPLUS		
1. Share Premium	287,500	287,500
2. General Reserve Balance b/d	2,800,000	2,800,000
	3,087,500	3,087,500

Schedule to the Balance Sheet as at 31st March 2011

Schedule 3.

FIXED ASSETS

Assets	Gross Block				Depreciation Block			Net Block	
	Cost as at 01.04.2010	Additions during the year	Deductions during the year	Cost as at 31.03.2011	As at 01.04.2010	For the year	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Computer Hardware	5427318	2100	0	5429418	5336732	38334	5375066	54352	90586
Computer Software	10328608	0	0	10328608	9893740	173947	10067687	260921	434868
Plant and Machinery	1076845	0		1076844.59	884873	26703	911576	165268	191972
Furniture and Fixtures	759962	0		759962	664947	17198	682145	77817	95015
Total	17592733	2100		17594833	16780292	256182	17036474	558358	812441
Previous Year	17683036	0	90303	17592732.59	16340641	439652	16780292	812441	1342395

Schedule 4. INVESTMENTS		
<i>Unquoted</i>		
Omnisoft Joint Venture Co (25000 Equity shares of 0.86 ps [10 Bangladeshi taka] each)	21,597	21,597
Otco Infotech Pvt Ltd (1340 Equity shares of Rs.10/- each)	13,400	99,990
	34,997	121,587
Schedule 5. SUNDRY DEBTORS (Unsecured & considered good by the Management)		
Debts outstanding for a period exceeding six months	-	-
Other Debts	2,552,085	2,632,604
	2,552,085	2,632,604
Schedule 6. CASH AND BANK BALANCES		
Cash in Hand (As per Cash Book and certified by the management)	9,240	8,231
Balance with Scheduled Banks		
- in Current Accounts	76,940	-
- In Fixed Deposits	21,340	31,209
	107,520	60,780
Schedule 7. LOANS AND ADVANCES <i>Unsecured and considered good</i>		
Advances recoverable in cash or in kind or		
Advance to Staff	46,000	46,000
pending adjustment, if any :		
Advances to Others	241,099	184,499
Tax deducted at source	949,733	869,213
Security Deposits	343,399	343,399
	1,580,231	1,397,111
Schedule 8. CURRENT LIABILITIES		
For Other Expenses Payable	314,713	909,025
	314,713	909,025
Place : Bangalore Date: 30.05.2011		

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 31st March 2011 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 31st March 2011.
5. Earnings in Foreign Currency:

Particulars	As on 31.03.2011 Rs	As on 31.03.2010 Rs
Total	Nil	Nil

6. Total Auditors Remuneration:

	As on 31.03.2011 Rs	As on 31.03.2010 Rs
As Auditors	10,000.00	30,000.00
Service Tax	1,030.00	3,090.00
Other Services	-	2,000.00
Total	11,030.00	35,090.00

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 NIL)
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: May 30, 2011

Schedules annexed to and forming part of the Profit & Loss Account
for the year ended 31st March 2011

Particulars	31.03.2011 (Rs)	31.03.2010 (Rs)
Schedule 11.		
SOFTWARE DEVELOPMENT		
Software Maintenance charges	657,000	916,000
	657,000	916,000
Schedule 12.		
OTHER INCOME	-	-
Schedule 13.		
MARKETING EXPENSES	-	-
Schedule 14.		
ADMINISTRATIVE AND GENERAL EXPENSES		
Legal, Professional and Technical Charges	475,000	511,000
Rent, Rates and Taxes	2,824	27,240
Server Co-location Charges	52,839	159,935
Repairs and Maintenance	7,940	9,405
Postage, Telegram & Telephone	3,091	15,410
Auditors Remuneration	11,030	46,532
Printing and Stationery	19,807	14,670
Listing Fees	24,144	6,618
Advertisement and Subscription	-	29,863
Conference/Seminar/ Exhibition	11,226	-
Internet and Email Charges	35,197	32,384
Travelling and Conveyance	56,924	72,705
Filing Fees	9,500	9,500
Miscellaneous Expenses	48,447	80,333
Custodial Fees	21,768	-
Expenses & Interest on TDS, ESI, PT and ST	78,337	-
Bank Charges	2,056	1,553
Domain Registration	599	10,047
Register and Transfer Charges	34,943	5,000
Interest on Provident Fund	4,019	1,814
Loss on sale of fixed assets	-	1,303
	899,691	1,035,311

For and on behalf of Board

Collin.R.Timms
Director

Francis I. Alphonso
Director

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

For K. Venkatachalam Aiyer & Co.
Chartered Accountants

M. Sivakumar
Partner

Place: Bangalore
Date: 30.05.2011

CASH FLOW STATEMENT
(Prepared Pursuant to Listing Agreement)

	For the year ended 31st March, 2011 (Rs.)		For the year ended 31st March, 2010 (Rs.)	
A. Cash Flow From Operating Activities				
Net Profit/(Loss) before Tax and extra Ordinary Items		-427518		-811238
Adjustment For :				
Depreciation	256182		439652	
Loss on Sale of Investment				
Profit on Sale of Investment	0		0	
Interest and Dividend		256182		439652
Operating Profit before working capital changes		-171336		-371586
Adjustments For :				
Inventories				
Trade and other receivables	56601		-1605596	
Trade payable	-594312	650913	221596	-1384000
Cash Generated from operations		-822249		1012414
Income Tax paid		0		0
Net Cash from operating activities		-822249		1012414
B. Cash Flow From Investing Activities				
Purchase of Fixed Assets		-2100		0
Purchase of Investments				
Increase in Share capital				
Sale of Investment	86590			
Interest and Dividend receipt	0			0
Net Cash from Investing Activities		84490		0
Carried over		-737759		1012414
C. Cash Flow From Financing Activities				
Increase in Share Capital	0			0
Share Warrants				0
Share Premium	0			0
Short Term Loan	784500		17000	
Dividends Paid (Including Tax)				
Net Cash from Financing Activities		784500		17000
Net Cash Inflow/(Outflow)		46742		1029414
Cash and Cash equivalents as at 1st April, 2010		39440		989974
Cash and Cash equivalents as at 31st March, 2011		86180		39440
Net Cash Outflow/(Inflow)		46740		-950534

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

M.Sivakumar
Partner

Place : Bangalore
Date :30.05.2011

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

Date

0 3

Month

2 0 1 1

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

3 0 5 4 0

Total Assets

3 0 5 4 0

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

0 0 8 0 1

Application of Funds

Net Fixed Assets

0 0 5 5 8

Investments

0 0 0 3 4

Net Current Assets

1 9 0 3 0

Miscellaneous Expenditure

N I L

Accumulated Losses

1 0 9 1 6

IV Performance of Company

(Amount in Rs Thousands)

		Turnover					Total Expenditure						
		0	0	6	5	7	0 0 9 9 5						
		Profit/Loss before Tax					+ -		Profit after Tax				
		0	0	5	9	4		-	0 0 4 2 7				
		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: May 30, 2011

OTCO INTERNATIONAL LIMITED
Regd. Office: First Floor, Gurumurthy Bhavan, #139, Infantry Road, Bangalore – 560 001

PROXY FORM

Registered Folio No./ Client ID: _____ No. of Shares _____

I/We _____

of _____ in the district of _____ being member/members of

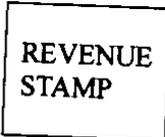
OTCO International Limited hereby appoint Shri/ Smt /Ms. _____

Of _____ in the district of _____ as my / our proxy to vote for me / us on

my / our behalf at the 30th Annual General Meeting of the company to held on Thursday, the 29th of

September 2011 at the Registered office of the Company and at any adjournment(s) thereof.

Signed this _____ day of _____ 2011.



Note : This form in order to be effective should be duly completed, stamped and signed, and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

OTCO INTERNATIONAL LIMITED
Regd. Office: First Floor, Gurumurthy Bhavan, #139, Infantry Road, Bangalore – 560 001

ATTENDANCE SLIP

Registered Folio No: _____ No of Shares _____

I certify that I am a Registered Shareholder / Proxy for the Registered Shareholder of the Company.

I hereby record my presence at the 30th Annual General Meeting of the Company to be held at the Registered Office of the Company at 10.30 A.M. on Thursday, the 29th of September 2011.

Member's / Proxy's Name in Block Letters : _____

Member's / Proxy's Signature : _____

Note: Shareholder /Proxy must bring the admission slip to the Meeting and hand it over at the entrance hall duly signed.

