

OTCO

Evolving with Passion

OTCO INTERNATIONAL LIMITED

28th ANNUAL REPORT - 2008-2009

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B O A R D O F D I R E C T O R S

Collin R Timms
Director

Francis I Alphonso
Director

S.Gokul
Director

Dr. Tim Drye
Director

Arvind Agrawal
Non - Executive Director

Registered Office

139, Infantry Road, Bangalore - 560 001

AUDITORS

M/s Venkatachalam Aiyer & Co.
Chartered Accountants

BANKERS

Guardian Souharda Sahakari Bank
Niyamita,
139, Infantry Road, Bangalore 560 001

State Bank of India,
Shivaji Nagar Branch, Bangalore 560 001

HDFC Bank
CMH Road,
Bangalor 560 038

NOTICE

Notice is hereby given that the 28th 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 Wednesday, the 31st of December, 2009 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the 28th Annual Report of the Directors, Balance Sheet as at 31st March 2009 and the Profit & Loss Account for the year ended 31st March 2009, and the Cash Flow Statement for the Financial Year ended 31st March, 2009 and Report of the Auditors thereon for the financial year 2008-09.
2. To appoint a Director in place of Mr. Francis I Alphonso, 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 27th Annual General Meeting, until the conclusion of the next Annual General Meeting and fix their remuneration.

By order of the Board

Bangalore
Date: 05.12.2009

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 28th Annual Report together with the Audited accounts of your company for the year ended March 31, 2009.

(Rs. In Lakhs)		
FINANCIAL HIGHLIGHTS		
PARTICULARS	2008-2009	2007-2008
Income from Software Maintenance	9.26	9.49
Income from Statistical & Data Analysis	15.50	37.74
Other Income	0.25	0.05
Total Income	21.01	47.28
Total Expenditure	37.67	66.20
Profit / (Loss) before Interest, Depreciation & Tax (PBIDT)	(12.64)	(18.92)
Interest	0.00	0.00
Profit / (Loss) before Depreciation & Tax (PBDT)	(12.64)	(18.92)
Depreciation	6.87	10.35
Profit / (Loss) before Tax (PBT)	(19.52)	(29.27)
Provision for Taxation	0.29	0.63
Profit / (Loss) After Tax (PAT)	(19.59)	(29.90)

OPERATIONAL (PERFORMANCE)

The Company is in the Fourth year of its Credit Referencing Business. OTCO has 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. Our Application for Registration is being processed by the Reserve Bank, and the company is confident of obtaining the Certificate of Registration as a Credit Information Company. Our Operations during the year was primarily focused on developing and Maintaining our network of 192 Co-Operative Banks. However we have not made additional installations of our Credit Referencing System during the year. We are confident of enrolling about 500 Member Banks by the end of the next financial year subject to obtaining our Certification of Registration from the Reserve Bank of INDIA. On obtaining Registration the company will start generating revenue from its Member Banks.

The Credit Information Companies (Regulation) Act, Rules and Regulations have a minimum Capital Requirement for Companies who operate as Credit Information Companies. OTCO as a Credit Information Company has to comply with the Minimum Capital specified in the Regulations. The Board has taken progressive steps in this regard, and has placed before the members a proposal to consider and authorize the Board to initiate steps towards increasing the Authorized Capital of the Company from Rs. 3 Crores to Rs. 30 Crores, Identify Strategic Investors to invest into the company and increase the present Subscribed Capital from Rs.2.59 Crores to Rs. 20 Crores. The Company's Paid up Capital should be Rs. 15 Crores in order to obtain the Certificate of Registration from the Reserve Bank of India. The Board of Directors are evaluating various methods of Capitalizing the Company to comply with the Regulations in the form of Preferential Issue of Equity Shares, Share Warrants fully convertible to Equity Share, and a Follow-On Public Issue subject to obtaining an "In-Principle Approval" from the Reserve Bank of India.

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 2009 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. Francis I. Alphonso 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 2009 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, 2009 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
30-11-2006	Annual General Meeting
29-09-2007	Annual General Meeting
31-12-2008	Annual General Meeting

ACKNOWLEDGEMENT:

Your director 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: 05.12.2009

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 31st March 2009, 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 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009 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 2009;
- 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: 1st September, 2009

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 it other than those mentioned in ix(b)

(b) According to the information and explanations given to us, the following undisputed statutory dues have not been remitted :
 - 1. Service Tax of Rs 51940
 - 2. ESI of Rs.12535
 - 3. Profession Tax or Rs. 3270
 - 4. Provident Fund of Rs. 32263
(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 2008-2009.
- 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: 1st September, 2009

M. Sivakumar

Partner

(Membership No. 23844)

OTCO INTERNATIONAL LIMITED
BALANCE SHEET AS AT 31ST MARCH 2009

Particulars	Schedule No.	31.03.2009 Rs	31.03.2008 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
Deferred Tax Liability		715,270	715,270
TOTAL		29,739,010	29,739,010
<u>APPLICATION OF FUNDS</u>			
FIXED ASSETS			
Gross Block	3	17,683,036	17,564,427
Less : Depreciation		16,340,641	15,652,789
Net Block		1,342,395	1,911,638
	4	121,587	121,587
INVESTMENTS			
CURRENT ASSETS, LOANS AND ADVANCES			
Closing Stock (As taken, Valued & Certified by the Management)	5	15,105,468	15,105,468
Sundry Debtors	6	2,645,604	2,311,791
Cash and Bank Balances	7	121,700	128,305
Loans and Advances		1,347,655	3,287,064
		19,220,427	20,832,628
LESS: CURRENT LIABILITIES AND PROVISIONS			
A. Current Liabilities	8	623,205	844,801
		623,205	844,801
Net Current Assets		18,597,221	19,987,827
Balance in Profit and Loss Account		9,677,807	7,717,957
TOTAL		29,739,010	29,739,010
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

M. Sivakumar
Partner

Collin R. Timms Francis I. Alphonso
Director Director

Place: Bangalore
Date : 1st September, 2009

OTCO INTERNATIONAL LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

Particulars	Schedule No.	31.03.2009 Rs	31.03.2008 Rs
<u>A. INCOME</u>			
Software Development	11	926,600	949,000
Professional Fees For Data & Statistical Analysis		1,550,492	3,773,627
Other Income		25,000	4,995
Closing Stock (As Taken, Valued & Certified by the Management)		15,105,468	15,105,468
Total - A		17,607,560	19,833,090
<u>B. EXPENDITURE</u>			
Opening Stock		15,105,468	15,105,468
Marketing Expenses	12	234,136	1,138,128
Payment to and Provisions for Employees		1,284,380	2,175,159
Administrative and General Expenses	13	2,248,382	3,368,635
Total - B		18,872,365	21,787,390
<i>Operating Profit subject to depreciation (A-B)</i>		<i>(1,264,805)</i>	<i>(1,954,300)</i>
Depreciation		687,852	1,034,939
Profit/Loss before Tax		(1,952,657)	(2,989,239)
Add/Less: Prior period adjustment (Net)		22,527	62,327
<u>Provision for Taxation :</u>			
Current Tax			63,243
Fringe Benefit Tax		29,720	
Deferred Tax			
Profit after Tax		(1,959,850)	(2,990,155)
Profit brought forward from last Year		(7,717,957)	(4,727,803)
Amount available for Appropriation		(9,677,807)	(7,717,958)
Amount transferred to General Reserve			
Interim dividend Paid including Tax			
Proposed Dividend			
Balance carried to Balance Sheet		(9,677,807)	(7,717,958)
		(9,677,807)	(7,717,958)
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

Place: Bangalore
Date : 1st September, 2009

(M NO 023844)

**Schedules annexed to and forming part of the Balance Sheet
as at 31st March 2009**

Particulars	31.03.2009 Rs	31.03.2008 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 *	25,936,240	25,936,240
(Previous Year 2593624 Equity shares of Rs. 10/- each-)		
Subscribed and Paid-up		
2593624 Equity Shares of Rs. 10/- each *	25,936,240	25,936,240
Subscribed and fully paid-up in Cash (Previous Year 2593624 Equity shares of Rs. 10/- each)		
	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. Profit and Loss Account		
	3,087,500	3,087,500

Schedule 3.
FIXED ASSETS

Assets	Gross Block				Depreciation Block			Net Block	
	Cost as at 01.04.2008	Additions during the year	Deductions during the year	Cost as at 31.03.2009	As at 01.04.2008	For the year	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
Computer Hardware	5365393	61925	0	5427318	5160780	115562	5276342	150976	204613
Computer Software	10319588	9020	0	10328608	9117030	486798	9603828	724780	1202558
Plant and Machinery	1084984	47664	0	1132648	770972	51020	821992	310656	314012
Furniture and Fixtures	794462	0	0	794462	604007	34472	638479	155983	190455
Total	17564427	118609		17683036	15652789	687852	16340641	1342395	1911638
Previous Year	17510408	54019	0	17564427	14617851	1034939	15652789	1911638	2892557

Schedule 4.
INVESTMENTS

Unquoted

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

121,587

121,587

Schedule 5.

SUNDRY DEBTORS

(Unsecured & considered good by the Management)

Debts outstanding for a period exceeding six months

Other Debts

2,645,604

2,311,791

2,645,604

2,311,791

Schedule 6.		
CASH AND BANK BALANCES		
Cash in Hand (As per Cash Book and certified by the management)	11,528	21,150
Balance with Scheduled Banks		
-in Current Accounts	88,832	85,816
- In Fixed Deposits	21,340	21,340
	121,700	128,306
Schedule 7.		
LOANS AND ADVANCES		
<i>Unsecured and considered good</i>		
Advances recoverable in cash or in kind or		
Advance to Staff	-	
pending adjustment, if any :		
Advances to Others	230,499	1,787,136
Advance Fringe Benefit Tax Paid	-	-
Tax deducted at source	773,757	683,529
Security Deposits	343,399	816,399
	1,347,655	3,287,064
Schedule 8.		
CURRENT LIABILITIES		
For Other Expenses Payable	623,205	844,801
	623,205	844,801

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 2009 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.

Deferred Tax is in Respect of Depreciation, amounted to Rs.7,15,270/-

(Previous Year - Rs.7,15,270/-)

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 2009.
5. Earnings in Foreign Currency:

	As on 31.03.2009 Rs	As on 31.03.2008 Rs
Professional Fees for Statistical & Data Analysis	15,50,492	37,73,627
Total	15,50,492	37,73,627

6. Total Auditors Remuneration:

	As on 31.03.2009 Rs	As on 31.03.2008 Rs
As Auditors	30,000	30,000
Service Tax	3,090	3,708
Other Services	2,000	2,000
Total	35,909	35,708

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 Rs.15,000 /-
(Previous year Rs. 57,000/-)

8. Expenditure in Foreign Currency :
Marketing Expenses : NIL
(Previous Year Rs. 17,580/-)

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/-

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: 1st September, 2009

OTCO

**Schedules annexed to and forming part of the Profit & Loss Account
for the year ended 31st March 2009**

Particulars	31.03.2009 Rs	31.03.2008 Rs
Schedule 11. SOFTWARE DEVELOPMENT		
Software Maintenance charges	926,600	949,000
	926,600	949,000
Schedule 12.		
Marketing Expenses	213,049	868,337
Travelling	21,087	269,791
	234,136	1,138,128
Schedule 13. ADMINISTRATIVE AND GENERAL EXPENSES		
Legal, Professional and Technical Charges	664,350	1,552,426
Rent, Rates and Taxes	568,694	565,505
Server Co-location Charges	212,191	176,664
Design and Development Charges	-	4,800
Electricity and Water Charges	120,681	165,917
Repairs and Maintenance	65,382	93,051
Postage, Telegram & Telephone	89,734	142,690
Auditors Remuneration	35,296	35,708
- As Auditors 33,090	-	
- As Tax Consultants 2,000	-	
Printing and Stationery	44,187	130,640
Listing Fees	14,495	14,341
Advertisement and Subscription	32,567	67,423
Conference/Seminar/ Exhibition	-	21,088

Internet and Email Charges	69,295	84,568
Travelling and Conveyance	108,907	135,627
Filing Fees	23,995	16,994
Exchange Differences(Net)	93,843	78,234
Directors Sitting Fees	15,000	57,000
Miscellaneous Expenses	43,880	17,312
Book and Periodicals	780	5,499
Expenses & Interest on TDS	1,325	256
Bank Charges	12,057	2,893
Domain Registration	11,498	-
Register and Transfer Charges	20,224	-
	2,248,382	3,368,635

For and on behalf of Board

Collin R. Timms
Director

Francis I. Alphonso
Director

For K. Venkatachalam Aiyer & Co.

Chartered Accountants

M. Sivakumar

Partner

Place: Bangalore

Date : 1st September, 2009

OTCO

CASH FLOW STATEMENT
(Prepared Pursuant to Listing Agreement)

	For the year ended 31st March, 2009 (Rs.)		For the year ended 31st March, 2008 (Rs.)	
A. Cash Flow From Operating Activities				
Net Profit/(Loss) before Tax and extra Ordinary Items		-1930130		-2926912
Adjustment For :	1342395		1034939	
Depreciation				
Loss on Sale of Investment				
Profit on Sale of Investment			4995	
Interest and Dividend		1342395		1029944
		-587735		-1896968
Operating Profit before working capital changes				
Adjustments For :				
Inventories	-1605596		2057688	
Trade and other receivables	-207705	-1397891	171046	1886642
Trade payable		810155		-3783610
Cash Generated from operations		43610		63243
Income Tax paid		766545		-3846853
Net Cash from operating activities				
B. Cash Flow From Investing Activities				
Purchase of Fixed Assets	-118609		-54019	
Purchase of Investments				
Increase in Share capital				
Sale of Investment			4995	
Interest and Dividend receipt		-118609		-49024
Net Cash from Investing Activities		647936		-3895877
Carried over				
C. Cash Flow From Financing Activities				
Increase in Share Capital			-1260	
Share Warrants				
Share Premium				
Dividends Paid (Including Tax)		0		-1260
Net Cash from Financing Activities		647936		-3897137
Net Cash Inflow/(Outflow)				
Cash and Cash equivalents as at 1st April, 2007		128305		4025442
Cash and Cash equivalents as at 31st March, 2008		121700		128305
Net Cash Outflow/(Inflow)		-6605		-3897137

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 : 1st September, 2009

M. Sivakumar
Partner

OTCO INTERNATIONAL LIMITED

Regd. Off: 139, Infantry Road, Bangalore - 560 001

PROXY FORM

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

I/ We _____

Of _____ in the district of _____ hereby appoint

Shri / Smt/Ms. _____ of _____ or

Failing him/her, Shri/ Smt/Ms. of _____

In the district of _____ of _____

As my/our Proxy on my our behalf at the 28th Annual Meeting of the Company to be held on
Thursday,

the 31st day of December 2008 at 10.30.A.M. and at any adjournment thereof

Signed on this _____ day of _____ 2009

Signature _____

Affix Rs.1/
Ravenue
Stamp

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. Off. # 139, Infantry Road, Bangalore - 560 001

ATTENDANCE SLIP

Registered Folio no./ Client ID: _____ No. of Share _____

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

I hereby record my presence at the 28th Annual General Meeting of the Company at*The Bridge Foundation* Auditorium, # 139, 1st floor, Gurusurthy Bhavan, Infantry Road, Shivaji Nagar, Bangalore - 560 001, the 31st day of December 2008 at 10.30.A.M.

Member's / Proxy's name in Block letters : _____

Member's / Proxy's Signature : _____

Note : Please fill in this Attendance Slip and hand it over at the Entrance of the Meeting Hall.

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: