# OTCO

*Evolving With Passion*

# OTCO INTERNATIONAL LIMITED

# 36th ANNUAL REPORT

# FY 2016-17

## CONTENTS


| S.no | Particulars | Page No |
|---|---|---|
| 1 | Corporate Information | 3 |
| 2 | Notice, Notes | 4-14 |
| 3 | Route Map to AGM Venue | 14 |
| 4 | Explanatory Statement | 15-17 |
| 5 | Directors Report and annexures thereto | 18-45 |
| 6 | Auditors Report | 46-49 |
| 7 | Balance Sheet | 50 |
| 8 | Statement of Profit & Loss | 51 |
| 9 | Statement of Cash flow | 52 |
| 10 | Notes forming Part of Financial Statement | 53-58 |
| 11 | Significant Accounting Policies | 59-61 |
| 12 | Proxy Form | 61 |

## CORPORATE INFORMATION

<table>
<tr><td>Registered Office</td><td>OTCO INTERNATIONAL LIMITED<br>1/1, 21st Cross, C. M. H. Road, Lakshmipuram,<br>Halasuru, Bangalore-560008, Karnataka, India<br>Tel: 080-25296825, +91 9789053807<br>Email: info@otcointernational.in</td></tr>
<tr><td>Corporate Office</td><td>Old No. 6, New No. 15,<br>7th West Cross Street, Shenoy Nagar,<br>Chennai – 600030, Tamil Nadu, India<br>Tel: 044-26212287, +91 9789053807</td></tr>
<tr><td>CIN</td><td>L17114KA2001PLC028611</td></tr>
<tr><td>Board of Directors</td><td><table>
<tr><th>Name</th><th>Designation</th></tr>
<tr><td>Mr. Subrahmaniya Sivam Ramamurthy</td><td>Director (Non-Executive & Independent) & Chairman</td></tr>
<tr><td>Mr. Balakrishnan Ramasubramanian</td><td>Director (Non-Executive & Independent)</td></tr>
<tr><td>Ms. Chinnamma Pullattu Mathew</td><td>Director (Non-Executive and Non-independent, Women Director)</td></tr>
<tr><td>Mr. Shaine Sunny Mundaplakkal</td><td>Whole Time Director (Executive & Non-Independent)</td></tr>
</table></td></tr>
<tr><td>Company Secretary & Compliance Officer</td><td>Mr. Manish Chetani-Resigned w.e.f 17/06/2017<br>Mr Deepak Kumar Dash-Joined w.e.f 01/07/2017</td></tr>
<tr><td>Chief Financial Officer</td><td>Mr. Bikash Dash</td></tr>
<tr><td>Statutory Auditors</td><td>M/s. C. Ramasamy & B. Srinivasan<br>Chartered Accountants<br>No.37, Alagiri Nagar, II Street, Vadapalani,<br>Chennai - 600 026, Tamilnadu, India.<br>Email: crbsca@gmail.com</td></tr>
<tr><td>Bankers</td><td>ICICI BANK LIMITED<br>PUNJAB NATIONAL BANK</td></tr>
<tr><td>Listed on</td><td>BSE Limited</td></tr>
<tr><td>Share Transfer Agent</td><td>Integrated Registry Management Services Private Limited<br>(Formerly a part of Integrated Enterprises (India) Limited)<br>#30, Ramana Residency, 4th Cross, Sampige road,<br>Malleswaram, Bangalore-560 003, Karnataka, India<br>Tel:- 080-23460815-818, fax: - 080 23460819<br>Email id: irg@integratedindia.in</td></tr>
<tr><td>Web site</td><td>www.otcointernational.in</td></tr>
</table>

OTCO

Evolving With Passion

**OTCO INTERNATIONAL LIMITED**

Registered office: - 1/1,21st Cross, C. M. H. Road, Lakshmipuram,
Halasuru, Bangalore-560008, Karnataka, India
Website:-www.otcointernational.in, Email:-info@otcointernational.in
CIN: - L17114KA2001PLC028611

# Notice

Notice is hereby given that the 36th Annual General Meeting of the members of OTCO INTERNATIONAL LIMITED will be held on Saturday the 23rd Day of September, 2017 at 11. 00 A.M. at Mew Ladies Club, 17th Cross (between 4th and 6th Main) Malleswaram, Bengaluru-560055, Karnataka, India to transact the following business:

**ORDINARY BUSINESS**

1. **Adoption of Financial Statements**
   To receive, consider and adopt the audited financial statements for the Financial Year ended 31st March, 2017 and the Reports of the Directors and Auditors thereon.

2. **To appointment a Director in place of Mr. Shaine Sunny Mundaplakkal** (DIN - 06429415) who retires by rotation and being eligible, offers himself for reappointment

3. **Appointment of Auditors:**
   To consider ratification of appointment of Auditors and if thought fit to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:

   ”RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Rules made thereunder, as amended from time to time, the appointment of M/s. C. Ramasamy & B. Srinivasan, Chartered Accountants (ICAI Firm Registration No. 002957S) as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Thirty-Ninth AGM of the Company to examine and audit the accounts of the Company for the financial year 2017-18, on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors, be and is hereby ratified.”

**SPECIAL BUSINESS**

4. To consider appointment of Mr. Balakrishnan Ramasubramanian as Independent Director and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

   “RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including

any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Balakrishnan Ramasubramanian (DIN 07661622) who was appointed by the Board of Directors as an Additional (Independent) Director of the Company with effect from 17.12.2016, whose term of office will expire at the ensuing Annual General Meeting in terms of Section 161 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years up to 16.12. 2021, not liable to retire by rotation."

FURTHER RESOLVED THAT the Board and/or the Company Secretary be and are hereby jointly or severally authorized to do all such Acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.

**5.** To consider undertaking new lines of business as per Memorandum & Articles of Association of the Company and if thought fit to pass with or without modification (s) the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Clause III. A. 1 and 2 of the Memorandum and Articles of Association of the Company, the Company be and hereby authorized to undertake trading and manufacturing Activities and or also setting up of retail business of Textiles Products and Artificial Stones, Ceramics, Tiles, Profiles and Shapes, Granite, Vitrified Tiles etc. under the Description of "Building Materials" or other suitable products as may be identified suitably by the Board of Directors to accept and start the business.

RESOLVED FURTHER THAT for the purpose of aforesaid activities the Whole time Director and/or Directors of the Company, be and are hereby authorized jointly or severally to sign, execute necessary documents, deeds and or to obtain necessary permission, licenses, grant, certificates, no-objections from respective Govt. Authorities and or to do the necessary incidental Acts, sign and execute the deeds, various kinds agreements, contracts with landlords, vendors, creditors, supplies etc.

**6.** To consider approval of borrowing limits for the purpose of business as proposed under Resolution No-5 and if, thought fit to pass with or without modification (s) the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 180 (1) (c) of the Companies Act, 2013 (as amended or re-enacted from time to time) and other applicable provisions if any, the consent of the Company be and are hereby accorded to the Board of Directors for borrowing from time to time any sum or sums of money by way of cash credit, loan, overdraft, discounting of bills, operating of letters of credit, for standing guarantee or counter-guarantee /term loans and or any other type of credit line or facility up to an amount not exceeding **Rupees 50.00 Cr.** (Rupees Fifty Crores) on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) and remaining un-

discharged at any given time, exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

RESOLVED FURTHER THAT for the purpose of aforesaid borrowing, Whole time Director and/or Directors of the Company, be and are hereby authorized jointly or severally to sign, get registered and deliver on behalf of the Company all documents and forms relating to the above credit lines and to secure the facilities by hypothecation of present and future fixed as well as floating assets of the Company and that the Company where needed to create equitable mortgage on the fixed assets of the Company in favour of the lenders by depositing the title deeds in relation thereto, as collateral security for the credit facility to be made available to the Company.

**RESOLVED FURTHER THAT** pursuant to Section 77 , 85 & 117 of the Companies Act 2013 (as amended or re-enacted from time to time) read with Rule no 3 & 10 of the Companies (Registration of Charges) Rules 2014 and Rule no 24 of the Companies (Management and Administration) Rules 2014, Directors and/ or Company Secretary of the Company be and are hereby authorized to do all the acts, deeds and things which are necessary to give effect to the above and to authenticate it and to file necessary form(s) with the "Registrar of Companies and or to the respective authorities in this connection" within the prescribed time and pay fees and to do relevant entries in the Register of Charges.

**Place: Chennai**
**Date: 07.07. 2017**

**By the order of the Board of Directors**
**Sd/-**
**Deepak Kumar Dash**
**Company Secretary & Compliance Officer**

Notes:

1. The Register of Members and the Share Transfer books of the Company will remain closed from the Saturday 16th September, 2017 to Saturday, 23rd September, 2017 (both days inclusive).
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can Act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not Act as a Proxy for any other person or shareholder. The proxy form shall be in writing and be signed by the appointer or his attorney duly authorised in writing or, if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it. Revenue Stamp should be affixed on the Proxy Form. Forms which are not stamped are liable to be considered invalid. It is advisable that the Proxy holder's signature may also be furnished in the Proxy Form, for identification purposes.

**THE PROXY FORM SHOULD BE LODGED WITH THE COMPANY AT LEAST 48**

**HOURS BEFORE THE SCHEDULED COMMENCEMENT OF THE MEETING.**

3. Members are requested to bring the Annual Report for their reference at the meeting. Admission Slip duly filled in shall compulsorily be handed over at the entrance to the meeting hall. Proxy Forms/Admission Slips which are not filled as per instructions, strictly to be considered invalid.
4. Members, who hold shares in dematerialised form, are requested to quote Depository Account Number (Client ID No.) for recording of attendance at the meeting.
5. Electronic mode of the Notice of the 36th Annual General Meeting of the Company *inter-alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the Members whose e-mail IDs are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail address, physical copies of the Notice of the 36th Annual General Meeting of the Company *inter-alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
6. Members may also note that the Notice of the 36th Annual General Meeting and the Annual Report for 2016-17 will also be available on the Company's website www.otcointernational.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Bengaluru for inspection during normal business hours on working days. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor e-maiI ID: info@otcointernational.in

7. Voting through electronic means:

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and the Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended as on date read with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members facility to exercise their right to vote at the 36th Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL):

"Electronic voting system" means a secured system based process of display of electronic ballots, recording of votes of the Members and the number of votes polled in favour or against, in such a manner that the entire voting exercised by way of electronic means gets registered and counted in an electronic registry in a centralised server with adequate cyber security.

"Remote e-voting" means the facility of casting votes by a Member using an electronic voting system from a place other than venue of a general meeting.

II. The facility for voting, through ballot paper shall be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

III. The "cut-off date" for determining the eligibility for voting either through electronic voting system or ballot is fixed as Friday, 15th September, 2017.

The e-voting period commences on Wednesday 20th September, 2017 at 9.00 a.m. and ends on Friday, 22nd September, 2017 at 5.00 p.m. The remote e-voting module shall be disabled for voting thereafter. During this period shareholders of the Company, holding shares either in physical form

or in dematerialized form, as on the cut-off date, i.e., Friday 15th September, 2017, shall be entitled to avail the facility of remote e-voting.

**PROCEDURE FOR REMOTE E-VOTING**

I. The Company has entered into an arrangement with Central Depository Services (India) Limited ("CDSL") for facilitating remote e-voting for AGM. The instructions for remote e-voting are as under:

**(a) In case of Members receiving an e-mail from CDSL:**

**The instructions for shareholders voting electronically are as under:**

(i) The shareholders should log on to the e-voting website www.evotingindia.com.
(ii) Click on Shareholders.
(iii) Now Enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
(iv) Next enter the Image Verification as displayed and Click on Login.
(v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
(vi) If you are a first time user follow the steps given below:

| | **For Members holding shares in Demat Form and Physical Form** |
|---|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.<br>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| DOB | Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details | Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.<br>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for OTCO INTERNATIONAL LIMITED to vote.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the same password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Shareholders can also cast their votes using CDSL's mobile app m-voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help Section or write an email to helpdesk.evoting@cdslindia.com.

In case of members receiving the physical copy:

(A) Please follow all steps from sl. no. (i) to sl. no. (xviii) Above to cast vote.

(B) The voting period begins on 9.00 a.m. on Wednesday, 20th September, 2017 and will end at 5.00 p.m. on Friday, 22nd September, 2017. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, 15th September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help Section or write an email to helpdesk.evoting@cdslindia.com.

**General Instructions:**

If you are already registered with CDSL for e-voting then you can use your existing User ID and Password for casting vote.

(i) The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on Friday, 15th September, 2017.

(ii) The facility of e-voting shall open on 9.00 a.m. on Wednesday, 20th September, 2017and will end at 5.00 p.m. on Friday, 22nd September, 2017. Members will not be able to cast their votes after on Friday ,22nd September, 2017 (5.00pm).

(iii) Member(s) can opt for only one mode of voting i.e. either physically voting at the Annual General Meeting or voting through e-voting. Members who have already exercised their voting through remote e-voting can attend the AGM but cannot vote again.

(iv) Mr. Rajesh Kumar Agrawal, Partner, M/s. Rajesh Agrawal & Associates, Bangalore has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

(v) The Scrutinizer shall, within a period of not exceeding three working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two witnesses, not in the employment of the Company and make a Scrutinizer's report of the votes cast in favour of, or against, if any, forthwith to the Chairman of the Company.

(vi) The results declared along with the Scrutinizer's report shall be placed on the Company's website www.otcointernational.in within two days of passing of the resolutions at the AGM of the Company and communicated to BSE Limited.

8. Brief notes on the background and the functional expertise of the Director proposed for re-appointment is furnished below, along with details of Companies in which he is a Director and the Board Committees of which he is a Member: Annexure attached at the end of the notice.

9. Corporate Members/ Financial Institutions intending to send their authorised representatives to attend the Annual General Meeting are requested to send a duIy certified copy of the Board Resolution / such other documents authorising their representatives to attend and vote at the Annual General Meeting well in advance.

10. The Annual Report 2016-17 of the Company circulated to the Members of the Company, will be made available on the Company's website at www.otcointernational.in and also on the website of the BSE at www.bseindia.com.

11. Nomination Form:

    Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 72 of the Companies Act, 2013 read with the Rules made thereunder are requested to send the prescribed Form SH-13 to the Corporate / Registered Office of the Company.

12. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the Annual General Meeting.

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number(PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical

form can submit their PAN to the Company / Integrated Registry Management Services Private Limited (Formerly a part of Integrated Enterprises (India) Ltd,) (R&TA), #30, Ramana Residency, 4th Cross, Sampige road, Malleswaram, Bangalore-560003, Karnataka.

14. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company / Integrated Registry Management Services Private Limited (Formerly a part of Integrated Enterprises (India) Ltd,) (R&TA), for consolidation into a single folio.

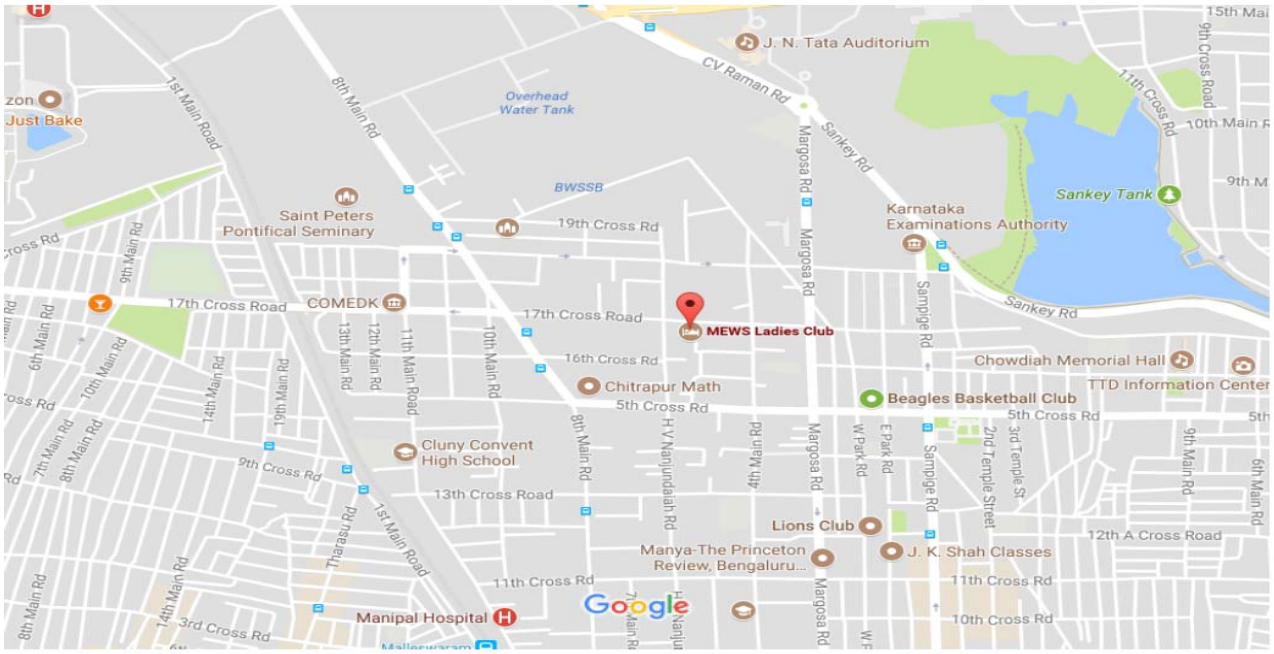
15. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e.23rd September, 2017.

16. **E-mail Registration: Members who have not registered their e-mail are requested to update the same with the Company, if held in physical form (or) to the Depository, if held in de-mat mode.**

17. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email address either with the Company or with the Depository Participant(s). Members who have not registered their email address with the Company can now register the same by submitting a duly filled-in 'E-communication Registration Form' available on the website of the Company www.otcointernational.in to **Integrated Registry Management Services Private Limited** (Formerly a part of Integrated Enterprises (India) Ltd,) (R&TA) or Investor Service Department of the Company. Members holding shares in demat form are requested to register their email address with their Depository Participant(s) only. Members of the Company who have registered their email address are also entitled to receive such communication in physical form, upon request.
18. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.

**Place: Chennai**
**Date: 07.07.2017**

**By the order of the Board of Directors**
**Sd/-**
**Deepak Kumar Dash**
**Company Secretary & Compliance Officer**



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

**ITEM NO.4**

Mr. Balakrishnan Ramasubramanian (DIN 07661622) was appointed by the Board in their meeting as Additional (Non-Executive Independent) Directors of the Company with effect from 17.12.2016 and his term of office expires at the ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013. Pursuant to the provisions of Section 149 of the Companies Act, 2013, stipulates the criteria of independence should a Company propose to appoint an Independent Director on its Board. As per the said Section 149 of the Companies Act, 2013 an Independent Director can hold office for a term up to 5 (five) consecutive years on the Board of the Company and he shall not be included in the total number of Directors liable to retire by rotation.

Accordingly, it is proposed to appoint Mr. Balakrishnan Ramasubramanian (DIN 07661622) as Non-Executive Independent Director under Section 149 of the Companies Act, 2013 and to hold office for 5 (five) consecutive years up to 16.12.2021 and he shall not be included in the total number of Directors liable to retire by rotation. He is not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and has given their consent to Act as Director.

The Company has received notices in writing from members along with the deposit of Rs.1,00,000/- requisite amount under Section 160 of the Companies Act, 2013 proposing the candidatures of Mr. Balakrishnan Ramasubramanian (DIN 07661622) for the office of Directors of the Company. The Company has received declarations from them that they meet with the criteria of independence as prescribed both under sub-Section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board and as recommended by the Nomination Remuneration Committee in their meeting held on 11.11.2016, Mr. Balakrishnan Ramasubramanian (DIN 07661622) fulfils the conditions for appointment as Independent Director specified in the Companies Act, 2013. They are independent to the management.

Brief resume and disclosure of information of Mr. Balakrishnan Ramasubramanian (DIN 07661622) nature of his expertise in specific functional areas and names of Companies in which he holds directorships and memberships/ chairmanships of Board Committees, shareholding and relationship between directors and pursuant to Secretarial Standard – 2 on General Meetings issued by the Council of the Institute of Company Secretaries of India and approved by the Central Government are given in the Annexure to the Notice. Copies of the letters for respective appointments of Mr. Balakrishnan Ramasubramanian (DIN 07661622) as Additional (Non-Executive Independent) Directors setting out the terms and conditions would be available for inspection by members at the Registered Office of the Company and is also available on the Company's website at www.otcointernational.in.

The appointment of new Independent Director and his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Balakrishnan Ramasubramanian (DIN 07661622) as Non-Executive Independent Director. Accordingly, the Board recommends the resolutions in relation to appointment of Mr. Balakrishnan

Ramasubramanian (DIN 07661622) as Non Executive Independent Directors, for the approval of the Members of the Company.
Mr. Balakrishnan Ramasubramanian (DIN 07661622) Non Executive Independent Director, is concerned or interested in the resolutions as set out at Item No. 04 of the Notice, since it relates to his appointment. None of the other Directors and Key Management Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise in these resolutions set out at Item Nos. 04

ITEM NO. 5: UNDERTAKING OF NEW LINE OF BUSINESS WHICH FALL WITHIN THE AMBIT OF MAIN OBJECT CLAUS I.E. A. 1 AND 2 OF MEMORAUNDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY AND AS THE POWERS VESTED THEREIN

The Company has been scouting for new lines of business since the takeover of Company by the new Promoter and is in the process of choosing suitable Activities for trading and manufacturing of products as well as trading, selling, distribution and marketing of branded products made by others and also Company's own products. The matters are therefore brought before the shareholders for their information and approval. Further, undertaking of any of aforesaid lines of business are well within the ambit of Main Object Clause i.e. A. 1 and 2 of the Memorandum and Article Association of the Company as well as provisions of the Companies Act, 2013

None of the Directors or the Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in the resolutions.

ITEM NO. 6: INCREASING OF BORROWING POWERS OF THE COMPANY FOR IMPLENTATION OF PROPOSAL FOR NEW LINE OF BUSINESS UNDER RESOLUTION NO. 5

As mentioned in Resolution 5, the Board of Directors are scouting for new lines of Business and if, the same materializes, funds would be needed for implementing the proposal and taking this into account necessary powers are to be given to Board for borrowing either term loans and or working capital funds from lenders such as banks, financial institutions, NBFCs etc. and for this purpose a resolution is proposed for giving borrowing powers upto **Rs. 50 Cr.** (Rupees Fifty cores) to the Board.

None of the Directors or the Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in the resolutions.

**Place: Chennai**
**Date: 07.07.2017**

**By the order of the Board of Directors**
**Sd/-**
**Deepak Kumar Dash**
**Company Secretary & Compliance Officer**

**ANNEXURE TO THE NOTICE**

**Details of Directors seeking re-appointment/appointment at the forthcoming Annual General Meeting**

| Particulars | Shaine Sunny Mundaplakkal | Mr. Balakrishnan Ramasubramanian |
|---|---|---|
| Date of Birth | 03/07/1989 | 26.07.1968 |
| Date of Appointment | 07/12/2015 | 17.12.2016 |
| DIN | 06429415 | |
| Qualifications | B.Tech | FCA |
| Expertise in specific functional Areas | Expert in IT Solution | Accounting, Finance, Taxation & Auditing |
| Name of the other Companies in which holds Directorship | Nil | Nil |
| Name of Committee of the other Companies in which holds Membership/ Chairmanship | Nil | Nil |
| Number of shares held in the Company [in his own name or on behalf of other person on beneficial basis | Nil | Nil |
| Relationship with Other Director(s) | None | None |

## DIRECTORS' REPORT

Dear Members,

The Directors take pleasure in presenting the 36th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2017 as under: -

1. **Financial Results:**

(Rs in Lacs)

| **Particulars** | **Year ended 31st March, 2017** | **Year ended 31st March, 2016** |
|---|---|---|
| Income from operations | 149.34 | 550.00 |
| Total Expenditure | 138.85 | 464.15 |
| Profit before Interest, Depreciation & Tax | 10.49 | 85.85 |
| Interest | 0.00 | 0.00 |
| Profit before Depreciation & Tax (PBDT) | 10.49 | 85.85 |
| Depreciation | 1.08 | 1.52 |
| Profit before Tax (PBT) | 9.41 | 84.33 |
| Provision for Taxation | 0.40 | 16.21 |
| Profit After Tax (PAT) | 9.01 | 68.12 |

**2. Company Performance**

There was a drop in the Company's consultancy business during the year resulting in reduction in income compared to the previous year and correspondingly the PAT has also come down substantially to Rs. 9.01 lakhs. In order increase the profitability the Company is scouting for suitable projects for undertaking and is hopeful that in the coming period the Company would be able to fix suitable new projects and improve its financial and operational performance.

**3. Dividend**:

Due to carry forward of losses of earlier years the directors do not recommend dividend for this year.

4. **Particulars of Employees and Related Disclosures**

There are no employees drawing remuneration in excess of limit set out in terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the **Annexure - A**.

**5**. **Corporate Governance**

The corporate governance norms as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 even though are not applicable to Company, still they are being complied with by the Company voluntarily.

**6. Directors and Key Managerial Personnel:**

The details about the appointment, re-appointment, change in designation, resignation of Directors and KMP, are as follows:

| SL No | Name | Designation | Effective date | Remarks |
|---|---|---|---|---|
| 1. | Mr. Kesavan Ramadasan | Non-Executive and Independent Director | 03.12.2016 | Resigned |
| 2. | Ms. Chinnamma Pullattu Mathew | Non-Executive and Non- Independent Director | 26.09.2016 | Appointed as Director (Non-Executive and Non-Independent Director) in the 35th AGM |
| 3. | Mr. Balakrishnan Ramasubramanian | Non-Executive & Independent Director | 17.12.2016 | Appointed as Additional Director (Non-Executive and Independent Director) |

Mr. Shaine Sunny Mundaplakkal, Whole Time Director, Mr. Manish Chetani, Company Secretary and Mr.Bikash Dash, Chief Financial Officer were designated as "Key Managerial Personnel" of the Company pursuant to Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**7. Listing with Stock Exchanges:**

The Company's shares are currently listed in the BSE and the listing fees has been paid till 31st March, 2018.

**8. Auditors:**

M/s. C. Ramasamy & B. Srinivasan, Chartered Accountants, Chennai, were appointed at the 35th Annual General Meeting to continue as the auditor of the Company till the conclusion of the 39th Annual General Meeting, subject to ratification in the AGMs every year. The Company proposes the same for ratification at the ensuing AGM and has received confirmation from the auditor regarding their consent and eligibility under Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 for appointment as the Auditors of the Company.

As required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Audit Committee and the Board of Directors have recommended the ratification of the Auditors for the financial year 2017-18. The necessary resolution is being placed before the shareholders for approval.

**9. Cost Audit**

The Provision of cost audit requirements is not applicable to the Company.

**10. Compliance under Companies Act, 2013**

Pursuant to Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, your Company has complied with the compliance requirements and the details of compliances under Companies Act, 2013 are enumerated in below given Sections.

**10 (a). Extract of Annual Return:**

An extract of Annual Return in Form MGT-9 as on March 31, 2017 is attached as **Annexure-B** to this Report.

**10 (b). Board Meetings Held During the Year**

During the year, 7 (Seven) meetings of the Board of Directors were held.

**10 (c). Director's Responsibility Statement:**

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134 (3)(c) of the Companies Act, 2013:

(a) in the preparation of the annual financial statements for the year ended March 31, 2017, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.
(b) for the financial year ended March 31, 2017, such accounting policies as mentioned in the Notes to the financial statements have been applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company and of the Profit and Loss of the Company for the year ended March 31, 2017.
(c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
(d) the annual financial statements have been prepared on a going concern basis.
(e) that proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively.
(f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

**10 (d). Declaration by Independent Directors:**

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**10 (e). Remuneration Policy of the Company.**

The Current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. On March 31, 2017, the Board consisted of 4 members, one of whom is executive and whole time director, one is non-executive non-independent women director, and two are independent directors.

The policy of the Company on director's appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters, as

required under sub-Section (3) of Section 178 of the Companies Act, 2013 is available on our website.

**10 (f). Audit**

**Statutory Audit:**

The Independent Auditors' Report for fiscal 2017 does not contain any qualification, reservation or adverse remark. The Independent Auditors' Report is enclosed with the financial statements in this Annual Report.

**Secretarial Audit:**

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, your Company engaged the services of Mr. S. SHREENIVASAN, Company Secretary in Practice, Chennai to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2017. The Secretarial Audit Report (in Form MR-3) is attached as **Annexure-C** to this Report. The Secretarial Audit Report does not contain any qualifications, reservation or adverse remark.

**10 (g). Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013**

The Company has no secured loans, unsecured loans, current/non-current investments, guarantees, securities extended as per the provision of Section 186 of the Companies Act, 2013.

**10(h). Related Party Transactions:**

All transactions entered by the Company with Related Parties were in the Ordinary Course of Business and at Arm's Length pricing basis, and the provisions of Section 188 of the Companies Act, 2013, are not attracted. Thus the disclosure in Form AOC-2 is not required.
There were no materially significant transactions with Related Parties during the financial year 2016-17 which were in conflict with the interest of the Company. Suitable disclosures as required under AS-18 have been made in Note 2.15 of the Notes to the financial statements.

**10(i). Material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2017 and May 27, 2017 (date of the Report)**

There were no material changes and commitments affecting the financial position of the Company between the end of financial year, i.e., March 31, 2017 and the date of the report, i.e., May 27, 2017.

**10(j). Conservation of Energy, Technology Absorption and Foreign Exchange outgo:**

The Particulars as prescribed under sub-Section(3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 is enclosed as **Annexure:-D**.

**10(k). Risk Management Policy:**

Risk Management policy is annexed to the Director's Report in **Annexure: -E**

**10(l). Corporate Social Responsibility Policy:**

As per the provision of Section 135 of Companies Act, 2013 every Company having net worth of Rupees Five Hundred Crore or more, or turnover of Rupees One thousand crore or more or a net

profit of Rupees five crore or more during any financial year shall constitute a CSR Committee and the Company should spend at least 2% of average net profit of three immediately preceding financial years in every financial year. As the Company does not fall within the above guidelines, compliance of this clause does not arise as of now.

**10(m). Formal Annual Evaluation:**

The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior, in consonance with the Company's Code of Conduct policy for its employees and also for the Board of Directors. The honesty, integrity and sound judgment and performance of the Directors and the Senior Management are key criteria for the success and for building a good reputation of the Company. Each Director and executive in the Senior Management is expected to comply with the letter and spirit of this Policy. Apart from this Code, The Code of Conduct for Directors/Employees shall also be applicable, additionally and specifically to the Senior Management of the Company *Mutatis Mutandis*. Any Actual or potential violation of these Codes by the Board Directors would be the matter of serious concern for the Company.

**10(n). Composition of Audit Committee:**

As per the provisions of Section 177(8) of the Companies Act 2013, the composition of Company's Audit Committee is stated below:

| Name of Member | Directorship of Member | Designation |
|---|---|---|
| | | |
| Mr. Subrahmaniya Sivam Ramamurthy | Non- Executive , Independent Director | Chairman |
| Mr. Balakrishnan Ramasubramanian | Non- Executive , Independent Director | Member |
| Mr. Shaine Sunny Mundaplakkal | Executive, Non-Independent, Whole Time Director | Member |

**11. Vigil Mechanism/Whistle Blower Policy**

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of directors had approved the Policy of Vigil Mechanism/Whistle Blower and the same was hosted on the web site of the Company. The Policy inter alia provides a direct access to the Chairman of the Audit Committee.

Your Company hereby confirms that no director / employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

**12. Information about the Financial Performance / Financial Position of the Subsidiaries / Associates/ JV**

The Company has no Subsidiaries / Associates/ JV as on date.

**13. Deposits**

During the year under review, your Company did not accept any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

**14. Significant & Material Orders Passed by the Regulators:**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company.

**15.Internal Control systems and their adequacy**

Details of the same are provided in the Management Discussion and Analysis Report attached as **Annexure-F** to this Report.

**16. Acknowledgement:**

The Directors wish to express their appreciation for the continued assistance and co-operation received from the Government authorities, bank, customers, business associates and members during the year under review. Your Directors also wish to thank all the employees for their contribution, support and continued cooperation throughout the year.

**Place: Chennai** **For and on behalf of Board**
**Date: 27.05.2017**

| | |
|---|---|
| **Sd/-** | **Sd/-** |
| **Mr. Shaine Sunny Mundaplakkal** | **Ms. Chinnamma P Mathew** |
| **Director** | **Director** |
| **DIN:-06429415** | **DIN:-07117184** |

# ANNEXURE A TO THE DIRECTORS REPORT

Disclosure pursuant to Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules,2014.

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year; - Mr. Shaine Sunny Mundaplakkal was paid Rs. 24,675/- as remuneration for his services, and hence ratio stands at 1.12

(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

| Name of the Director | Title | Remuneration in fiscal 2017 (in Rs.) | Remuneration in fiscal 2016 (in Rs.) | % increase in Remuneration |
|---|---|---|---|---|
| Mr. Shaine Sunny Mundaplakkal | Whole Time Director | 3,36,050 | 94,000 | 72.03 |
| Mr. Bikash Dash | Chief Financial Officer | 2,08,817 | 1,90,700 | 8.68 |
| Mr. Manish Chetani | Company Secretary & Compliance Officer | 4,69,053 | 2,29,354 | 51.10 |
| Note: Salary for Mr. Shaine Sunny Mundaplakkal and Mr. Manish Chetani was paid for part of the year in fiscal 2016, hence the % shows huge increase. Mr. Shaine Sunny Mundaplakkal has been given a 5% rise and Mr. Manish Chetani was provided a 10% rise in remuneration | | | | |

(iii) the percentage increase in the median remuneration of employees in the financial year – not applicable –refer ii above

(iv) the number of permanent employees on the rolls of Company; 5

(v) the explanation on the relationship between average increase in remuneration and Company performance; Increase in remuneration was done in line with Company's business policies.

(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the Company – Profit before tax – Rs.9.41 lakhs

| Particulars | Chief Financial Officer | Secretary & Compliance Officer | Whole Time Director | Total |
|---|---|---|---|---|
| Remuneration(Rs.in lakhs) | 2.08 | 4.69 | 3.36 | 10.13 |
| Remuneration (as % of PBT) | 22.10 | 49.84 | 35.71 | 107.65 |

vii) variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed Companies, and in case of unlisted Companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year;

| Particulars | As on 31.03.2017 | As on 31.03.2016 | Increase |
|---|---|---|---|
| Closing price of share at BSE (Rs) | 36.00 | 15.10 | 20.9 |
| Market capitalisation (Rs. In lakh) | 933.70464 | 391.63 | 542.0746 |
| Price earnings ratio | 102.86 | 5.74 | 97.12 |
| Net worth (Rs. In lakh) | 110.29 | 101.27 | 8.906% |

(viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; Mr. Shaine Sunny Mundaplakkal has been given a 5% rise in remuneration.

(ix) comparison of each remuneration of the Key Managerial Personnel against the performance of the Company – refer item vi above
(x) the key parameters for any variable component of remuneration availed by the directors; N.A.
(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – 0.623;
(xii) Affirmation that the remuneration is as per the remuneration policy of the Company. The Company affirms the remuneration is as per remuneration policy of the Company.

## ANNEXURE B TO THE DIRECTORS REPORT

**FORM NO. MGT 9**
**EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2017**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.**

I. REGISTRATION & OTHER DETAILS:

| | | |
|---|---|---|
| 1. | CIN | L17114KA2001PLC028611 |
| 2. | Registration Date | 25/03/1981 |
| 3. | Name of the Company | OTCO INTERNATIONAL LIMITED |
| 4. | Category/Sub-category of the Company | Public Company |
| 5. | Address of the Registered office & contact details | 1/1,21st Cross, C.M.H Road, Lakshmipuram, Halasuru, Bangalore-560008, Karnataka, India.<br>Email: info@otcointernational.in<br>Website: www.otcointernational.in |
| 6. | Whether listed Company | Listed Company |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Integrated Registry Management Services Private Limited<br>(Formerly a part of Integrated Enterprises (India) Ltd,)<br>#30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore-560 003, Karnataka. |

II. **PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (**All the business Activities contributing 10 % or more of the total turnover of the Company shall be stated)

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the Company |
|---|---|---|---|
| 1 | Consultancy Services | 998311 | 100% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

| S. No. | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY / ASSOCIATE | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1 | NOT APPLICABLE | | | | |

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 31-March-2016] | | | | No. of Shares held at the end of the year [As on 31-March-2017] | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoters** | | | | | | | | | |
| (1) **Indian** | | | | | | | | | |
| a) Individual/ HUF | 1349571 | 0 | 1349571 | 52.03 | 1362223 | 0 | 1362223 | 52.52 | 0.49 |
| b) Central Govt | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| c) State Govt(s) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| d) Bodies Corp. | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| e) Banks / FI | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| f) Any other | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| **Total shareholding of Promoter (A)** | 1349571 | 0 | 1349571 | 52.03 | 1362223 | 0 | 1362223 | 52.52 | 0.49 |
| | | | | | | | | | |
| **B. Public Shareholding** | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| b) Banks / FI | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| c) Central Govt | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| d) State Govt(s) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| e) Venture Capital Funds | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| f) Insurance Companies | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| g) FIIs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| h) Foreign Venture Capital Funds | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| i) Others (specify) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| **Sub-total (B)(1):-** | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| **2. Non-Institutions** | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 24,248 | 6170 | 30,418 | 1.17 | 24,649 | 6,170 | 30,819 | 1.19% | 0.02 |
| ii) Overseas | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| b) Individuals | | | | | | | | | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 207,154 | 105,377 | 312,531 | 12.05 | 183,805 | 104,877 | 288,682 | 11.13 | -0.92 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 843,438 | 49500 | 892,938 | 34.43 | 853,935 | 49500 | 903,435 | 34.83 | 0.40 |
| c) Others (specify) | | | | | | | | | |
| Non Resident Indians | 856 | Nil | 856 | 0.03 | 796 | 0 | 796 | 0.03 | 0.00 |
| Foreign Nationals | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Clearing Members | 7310 | Nil | 7310 | 0.28 | 7669 | 0 | 7669 | 0.30 | 0.01 |
| Trusts | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| **Sub-total (B)(2):-** | 1083006 | 161047 | 1244053 | 47.97 | 1,070,854 | 160,547 | 1,231,401 | 47.48 | -0.49 |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 1083006 | 161047 | 1244053 | 47.97 | 1,070,854 | 160,547 | 1,231,401 | 0 | 0 |
| **C. Shares held by Custodian for GDRs & ADRs** | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| **Grand Total (A+B+C)** | 2432577 | 161047 | 2593624 | 100 | 2,433,077 | 160,547 | 2,593,624 | 100.00 | Nil |

(ii)Shareholding of Promoter-

| SN | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the Company | %of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the Company | %of Shares Pledged / encumbered to total shares | |
| 1. | Mr. Pradeep Kumar Panda | 1349571 | 52.03 | Nil | 1362223 | 52.52 | Nil | 0.49 |
| | Total | 1349571 | 52.03 | Nil | 1362223 | 52.52 | Nil | 0.49 |

iii) **Change in Promoters' Shareholding: -**

| SN | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1. | Mr. Pradeep Kumar Panda | | | | |
| | At the beginning of the year | 1349571 | 52.03% | Nil | Nil |
| | Date wise Increase in Promoters Shareholding during the year due to acquisition from open market | | | | |
| | 23/12/2016 | 8050 | | 1357621 | 52.34% |

| | | | | | |
|---|---|---|---|---|---|
| | 09/01/2017 | 67 | | 1357688 | 52.35% |
| | 12/01/2017 | 100 | | 1357788 | 52.35% |
| | 27/01/2017 | 893 | | 1358681 | 52.39% |
| | 30/01/2017 | 553 | | 1359234 | 52.41% |
| | 16/02/2017 | 1883 | | 1361117 | 52.48% |
| | 17/02/2017 | 1106 | | 1362223 | 52.52% |
| | At the end of the year | | | 1362223 | 52.52% |

**IV) Shareholding Pattern of top ten Shareholders:**
**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

| For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|
| | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| | | | | |
| MALTILATA SAHOO | | | | |
| At the beginning of the year | 75000 | 2.891 | 75000 | 2.891 |
| At the end of the year | 75000 | 2.891 | 75000 | 2.891 |
| | | | | |
| ASHIMA CHAKRABORTY | | | | |
| At the beginning of the year | 70894 | 2.733 | 70894 | 2.733 |
| At the end of the year | 70894 | 2.733 | 70894 | 2.733 |
| | | | | |
| DAMODAR TRIBEDI | | | | |
| At the beginning of the year | 61578 | 2.374 | 61578 | 2.374 |
| At the end of the year | 61578 | 2.374 | 61578 | 2.374 |
| | | | | |
| PADMAJA MISHRA | | | | |
| At the beginning of the year | 49625 | 1.913 | 49625 | 1.913 |
| At the end of the year | 49625 | 1.913 | 49625 | 1.913 |
| | | | | |
| PRABHUDAYAL SENAPATI | | | | |
| At the beginning of the year | 49000 | 1.889 | 49000 | 1.889 |
| At the end of the year | 49000 | 1.889 | 49000 | 1.889 |
| | | | | |
| RAMESH CHANDRA SAHU | | | | |
| At the beginning of the year | 49000 | 1.889 | 49000 | 1.889 |
| At the end of the year | 49000 | 1.889 | 49000 | 1.889 |
| | | | | |
| BAPPA DITAYA PARIDA | | | | |
| At the beginning of the year | 49000 | 1.889 | 49000 | 1.889 |
| At the end of the year | 49000 | 1.889 | 49000 | 1.889 |
| | | | | |
| NIRANJAN BEHERA | | | | |

| | | | | |
|---|---|---|---|---|
| At the beginning of the year | 49000 | 1.889 | 49000 | 1.889 |
| At the end of the year | 49000 | 1.889 | 49000 | 1.889 |
| | | | | |
| WALME GURI MARAK | | | | |
| At the beginning of the year | 49000 | 1.889 | 49000 | 1.889 |
| At the end of the year | 49000 | 1.889 | 49000 | 1.889 |
| | | | | |
| ANAM CHARAN SAHU | | | | |
| At the beginning of the year | 49000 | 1.889 | 49000 | 1.889 |
| At the end of the year | 49000 | 1.889 | 49000 | 1.889 |

V) **Shareholding of Directors and Key Managerial Personnel:**

| **SN** | **Shareholding of each Directors and each Key Managerial Personnel** | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| | | | | | |
| | At the beginning of the year | None of the directors or KMP held any share in the Company anytime during the FY2016-17 | | | |
| | Date wise details | | | | |
| | At the end of the year | | | | |

VI) **INDEBTEDNESS -**Indebtedness of the Company including interest outstanding/accrued but not due for payment.

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | Nil | Nil | Nil | Nil |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | Nil | Nil | Nil | Nil |
| **Total (i+ii+iii)** | Nil | Nil | Nil | Nil |
| **Change in Indebtedness during the financial year** | Nil | Nil | Nil | Nil |
| * Addition | Nil | Nil | Nil | Nil |
| * Reduction | Nil | Nil | Nil | Nil |
| **Net Change** | Nil | Nil | Nil | Nil |
| **Indebtedness at the end of the financial year** | Nil | Nil | Nil | Nil |
| i) Principal Amount | Nil | Nil | Nil | Nil |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | Nil | Nil | Nil | Nil |
| **Total (i+ii+iii)** | Nil | Nil | Nil | Nil |

**VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

**A.** Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amount in Rupees)

| SN. | Particulars of Remuneration | Name of WTD | Total Amount |
|---|---|---|---|
| | | Mr. Shaine Sunny Mundaplakkal | |
| 1 | Gross salary (Amount in Rs.) | 3,36,050 | 3,36,050 |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | 3,36,050 | 3,36,050 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | Nil | Nil |
| | (c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961 | Nil | Nil |
| 2 | Stock Option | Nil | Nil |
| 3 | Sweat Equity | Nil | Nil |
| 4 | Commission<br>- as % of profit<br>- others, specify… | Nil | Nil |
| 5 | Others, please specify | Nil | Nil |
| | Total (A) | 3,36,050 | 3,36,050 |
| | Ceiling as per the Act | 60,00,000 | 60,00,000 |

B. Remuneration to other directors

| SN. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|---|---|---|---|---|---|---|
| | | ----- | ---- | ---- | --- | |
| 1 | Independent Directors | Nil | Nil | Nil | Nil | Nil |
| | Fee for attending board committee meetings | Nil | Nil | Nil | Nil | Nil |
| | Commission | Nil | Nil | Nil | Nil | Nil |
| | Others, please specify | Nil | Nil | Nil | Nil | Nil |
| | Total (1) | Nil | Nil | Nil | Nil | Nil |
| 2 | Other Non-Executive Directors | Nil | Nil | Nil | Nil | Nil |
| | Fee for attending board committee meetings | Nil | Nil | Nil | Nil | Nil |
| | Commission | Nil | Nil | Nil | Nil | Nil |
| | Others, please specify | Nil | Nil | Nil | Nil | Nil |
| | Total (2) | Nil | Nil | Nil | Nil | Nil |
| | Total (B)= (1+2) | Nil | Nil | Nil | Nil | Nil |
| | Total Managerial Remuneration | Nil | Nil | Nil | Nil | Nil |
| | Overall Ceiling as per the Act | Nil | Nil | Nil | Nil | Nil |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| SN | Particulars of Remuneration | Key Managerial Personnel (Amount in Rupees) | | | |
|---|---|---|---|---|---|
| | | CEO | CS | CFO | Total |
| 1 | Gross salary (in Rs.) | Nil | 4,69,053 | 2,08,817 | 6,77,870 |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | Nil | 4,69,053 | 2,08,817 | 6,77,870 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | Nil | Nil | Nil | Nil |

| | | | | | |
|---|---|---|---|---|---|
| | (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961 | Nil | Nil | Nil | Nil |
| 2 | Stock Option | Nil | Nil | Nil | Nil |
| 3 | Sweat Equity | Nil | Nil | Nil | Nil |
| 4 | Commission | Nil | Nil | Nil | Nil |
| | - as % of profit | Nil | Nil | Nil | Nil |
| | others, specify… | Nil | Nil | Nil | Nil |
| 5 | Others, please specify | Nil | Nil | Nil | Nil |
| | Total | Nil | 4,69,053 | 2,08,817 | 6,77,870 |

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

| **Type** | **~~Section of the Companies Act~~/SEBI Regulation** | **Brief Description** | **Details of Penalty / P~~unishment~~/ Compounding fees imposed** | **Authority [~~RD / NCLT/ COURT~~/SEBI]** | **Appeal made, if any (give Details)** |
|---|---|---|---|---|---|
| **A. COMPANY** | | | | | |
| Penalty | Refer Note | Refer Note | Refer Note | Refer Note | Refer Note |
| Punishment | Nil | Nil | Nil | Nil | Nil |
| Compounding | Refer Note | Refer Note | Refer Note | Refer Note | Refer Note |
| **B. DIRECTORS** | | | | | |
| Penalty | Nil | Nil | Nil | Nil | Nil |
| Punishment | Nil | Nil | Nil | Nil | Nil |
| Compounding | Nil | Nil | Nil | Nil | Nil |
| **C. OTHER OFFICERS IN DEFAULT** | | | | | |
| Penalty | Nil | Nil | Nil | Nil | Nil |
| Punishment | Nil | Nil | Nil | Nil | Nil |
| Compounding | Nil | Nil | Nil | Nil | Nil |

Note: During the period the Company has received a show cause notice for the purpose of regulation 4 of the SEBI(Settlement of Administrative and Civil proceedings) regulations, 2014.The same is for non compliance in regard to non-disclosure/delayed discosures under regulation 8(3) of SEBI (substantial Acquistion of shares and takeover) Regulations 1997 relating to the period 2004-2011 under the erstwhile management .An application has been filed with the SEBI and the hearings on the matter are yet to be called by SEBI.

# ANNEXURE C TO THE DIRECTORS REPORT

**Form No. MR-3**
**SECRETARIAL AUDIT REPORT**
FOR THE FINANCIAL YEAR ENDED 31st March, 2017
*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,

The Members,
**OTCO International Limited,**
1/1, 21st Cross, C.M.H Road, Lakshmipuram,
Halasuru, Bangalore-560008, Karnataka, India.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **OTCO International Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the OTCO International Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by OTCO International Limited ("the Company") for the financial year ended on 31st March, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made there under;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; - Not applicable
(iv) Foreign Exchange Management Act, 1999 and the Rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - **Not applicable as the Company has not granted any Options to its employees during the financial year under review**;
(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not applicable as the Company has not issued any debt securities during the financial year under review**;
(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not applicable as the Company has not bought back any of its securities during the financial year under review**.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(ii) The Listing Agreement as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with BSE Limited,

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.

**3.** There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, Rules, regulations and guidelines.

**4.** During the audit period, there was a change in shareholding of promoters, i.e, Mr. Pradeep Kumar Panda had acquired from 52.03% to 52.52% shares in the Company, i.e., from 1349571 shares to 1362223 shares out of 2593624 shares in the Company. The Shares of the Company are frequently traded in BSE.

5. During the period under audit the Company has received a show cause notice for the purpose of regulation 4 of the SEBI(Settlement of Administrative and Civil proceedings) regulations, 2014.The same is for the non compliance in regard to non-disclosure/delayed discosures under regulation 8(3) of SEBI (substantial Acquistion of shares and takeover) Regulations 1997 for the period 2004-2011 under the erstwhile management .An application has been filed with the SEBI and the hearings on the matter are yet to be called by SEBI.

*Place:* Chennai
*Date:* 27/05/2017

Name of Company Secretary in practice: S. SHREENIVASAN
ACS No. 9534
C P No.: 8780

## ANNEXURE D TO THE DIRECTORS REPORT

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

**(1) CONSERVATION OF ENERGY:** The average consumption of Electricity per unit in the Financial Year 2016-2017 is **NIL**.

**(2) TECHNOLOGY ABSORPTION: NIL**

**(3) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

**Total Exchange used and earned** **(Rs in Lacs)**

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| i Foreign Exchange earned including Direct and Indirect exports | NIL | NIL |
| ii Foreign Exchange used | NIL | NIL |

## ANNEXURE E TO THE DIRECTORS REPORT

### RISK MANAGEMENT POLICY

***OVERVIEW***

This is in compliance with Section 134 (3) (n) of the Companies Act, 2013 and Clause 49 (VI) of the erstwhile Listing Agreement and current SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which requires the Company to develop and implement a Risk Management Policy and to lay down risk assessment and minimization procedures.

***ROLE OF BOARD OF DIRECTORS***

The Board of Directors of the Company oversee the development of Risk Management Policy and the establishment, implementation and monitoring of the Company's risk management system, in accordance with the policy.

***ROLE OF THE CHIEF EXECUTIVE OFFICER***

The Chief Executive Officer has responsibility for identifying, assessing, monitoring and managing risks. The Chief Executive Officer is also responsible for identifying any material changes to the Company's risk profile and ensuring, with approval of the Board, the risk profile of the Company is updated to reflect any material change.

Implementation of the risk management system and day-to-day management of risk is the responsibility of the Chief Executive Officer, with the assistance of senior management, as required.

The Chief Executive Officer is required to report to the Board as to the effectiveness of the Company's management of its material business risks on a regular basis.

***ROLE OF THE HEADS OF THE DEPARTMENTS***

Heads of Departments shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Chief Executive Officer.

***RISK PROFILE***

The Company considers that any risk that could have a material impact on its business should be included in its risk profile. The areas of risk include,

a. Raw Material Risk
b. Quality Risk
c. Technology Risk
d. Competition Risk
e. Financial Risk including Foreign Exchange Risk
f. Realisation Risk
g. Cost Risk
h. Legal Risk

The Foreign Exchange Risk Management Policy of the Company forms part of this policy.
The key risk management process would include
i. Risk Identification
ii. Assessment of identified risk
iii. Risk measurement
iv. Risk mitigation
v. Monitoring of the risk mitigation efforts
vi. Risk reporting and disclosures
vii. Integration with strategy and business plan

***ROLE OF AUDIT***

A strong and independent Internal Audit Function at the corporate level carries out risk focused audits across all businesses, enabling identification of areas where risk management processes may need to be improved. The Audit Committee of the Board reviews Internal Audit findings, and provides strategic guidance on internal controls. It also monitors the internal control environment within the Company and ensures that Internal Audit recommendations are effectively implemented.

***RESPONSIBILITY TO STAKEHOLDERS***

The Company considers the reasonable expectations of stakeholders particularly with a view to preserving the Company's reputation and success of its business. FActors which affect the Company's continued good standing are included in the Company's risk profile.

***CONTINUOUS IMPROVEMENT***

The Company's risk management system is always evolving. It is an ongoing process and it is recognized that the level and extent of the risk management system will evolve commensurate with the development and growth of the Company's Activities. The risk management system is a "living" system and the documentation that supports it will be regularly reviewed and updated in order to keep current with Company circumstances.

**ANNEXURE F TO THE DIRECTORS REPORT**

# MANAGEMENT DISCUSSION AND ANALYSIS

To avoid duplication between the Directors' Report and the Management Discussion and Analysis, we present below a composite summary of performance of the various businesses and functions of the Company.

**Overview**

The Company is a public limited Company incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka and a corporate office at Chennai. The Company has its primary listing on BSE Limited. These financial statements are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis, except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied, except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**Financial performance**

Our Company's Total Income decreased from Rs 550.00 lacs in FY 2015-16 to Rs 149.35 lacs in FY 2016-17 and our profit after tax decreased from Rs.68.12 lacs to Rs.9.02 lacs respectively. The Company is in the business of management consultancy services and there was not much business during the year 2016-17.

**Competition**

The Management Consultancy services market is highly competitive. To stay in the business, the Company is exploring business possibilities in financial and other consultancy services work. Also, the Company is looking for new line of business in the area of manufacture and marketing.

**Risk Perception:** The following risks are incurred:

- Exposures that fundamentally impact the competitive position of the industry in general or a Company in particular.
- Exposures that primarily and directly impact the profitability.
- Exposures that primarily impact customer satisfaction and operational efficiency.
- Exposures that initially attract penalties and, subsequently, restrict flexibility of operations.
- Exposures that affect the credibility of the organization with stakeholders.

**Internal Controls & Their Adequacy:**

The Company has adequate internal control procedures and systems commensurate with the nature and size of its business. The Company's internal control systems primarily cover aspects such as:

i. Operating parameters and various aspects relating to services and customer support.
ii. Efficient use and protection of product and business rights.
iii. Accuracy and promptness of financial reporting.
iv. Compliance of laws and regulations.

The Company has well laid-out policy guidelines, structured authority levels to ensure adequate internal control levels. The management and the Audit Committee of the Board review the periodically the adequacy of the internal control and the management control systems, so as to be in line with changing requirements.

**Human Resources:**

One of the key focus areas for your Company is developing human capital. The Company is expecting to establish its business models only after which it would be able to attract right talent.

## INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF M/s OTCO INTERNATIONAL LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **M/s Otco International Limited** ("the Company"), which comprise the Balance Sheet as at 31st March,2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of directors is responsible for the matters stated in Section 134(5) of the Companies Act,2013 ("the Act") with respect to the preparation and presentation of these financial statement that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principle generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statement based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to the included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessment, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by

the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act 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, 2017;

(b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and

(c) In the case of cash flow statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order) issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, we give in the Annexure A a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

a. We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books

c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with books of account.

d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B; and

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:

   i. The Company does not have any pending litigation which would impact its financial position.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. The Company has provided requisite disclosures in its financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of account maintained by the Company.

Place : Chennai

Date : 27.05.2017

For C. Ramasamy & B.Srinivasan
Chartered Accountants
(FRN: 002957S)

(C. Ramasamy)
Partner
Membership No: 023714

**Annexure A to the Auditor's Report**

The Annexure referred to in our Independent Auditor's Report to the members of **M/s Otco International Limited** for the year ended on 31.03.2017. We report that:

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) These fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification and the same have been properly dealt with in the books of account.

c) According to the information and explanation given to us the Company does not have any immovable property.

ii. The Company is a service Company. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.

iii. The Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act.

iv. The Company has not granted any loans, nor made any investment as per the provisions of Section 185 and 186 of the Act. Thus, paragraph 3(iv) of the Order is not applicable to the Company.

v. The Company has not accepted any deposits from the public.

vi. The Central Government has not prescribed the maintainance of cost records under Section 148(1) of Act., for any of the services rendered by the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records the Company, there was no delay by the Company in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, Cess and any other statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there are no dues of income tax or sales tax or service tax or duty of customs, duty of excise, value added tax, Cess, which had not been deposited on account of any dispute.

viii. The Company has not defaulted in repayment of dues to financial institutions or banks and Government during the year. There have been no outstanding dues to debenture holders.

ix. During the year Company has not raised any money through Initial Public Offer or further Public Offer. The Company has not availed any term loan.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company , transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company the Company has not made any preferential allotment or private placement of shares during the year to promoter & non promoter as per requirement under Section 42 of the Act.

xv. According to the information and explanations given to us and based on our examination of the records of the Company the Company has not entered into any non-cash transActions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.

xvi. The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

Place : Chennai

Date : 27.05.2017

For C.Ramasamy & B.Srinivasan
Chartered Accountants
(FRN: 002957S)

(C.Ramasamy)
Partner
Membership No: 023714

**Annexure B to the Auditor's Report**

**Report on the Internal Financial Controls under clause (i) of sub-Section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting M/s. OTCO International Limited ('the Company') as of 31st March 2017 in conjunction with our audit of the financial statements of the Company for the year ended as on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depends on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A

Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transActions and dispositions of the assets of the Company; (2) provide reasonable assurance that transActions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Chennai

Date : 27.05.2017

For C.Ramasamy & B.Srinivasan
Chartered Accountants
(FRN: 002957S)

(C.Ramasamy)
Partner
Membership No: 023714

**OTCO INTERNATIONAL LIMITED**
**1/1,21st CROSS, C.M.H. ROAD, LAKSHMIPURAM**
**HALASURU, BANGALORE, KARNATAKA - 560008**
**BALANCE SHEET AS ON 31.03.2017**

| | PARTICULARS | Note No. | 31.03.2017 Rs. | 31.03.2016 Rs. |
|---|---|---|---|---|
| I. | **EQUITY AND LIABILITIES** | | | |
| 1 | **Shareholders' funds** | | | |
| | (a) Share Capital | 2.1 | 25,936,240.00 | 25,936,240.00 |
| | (c) Reserves and Surplus | 2.2 | (14,907,264.99) | (15,808,876.42) |
| | | | | |
| 2 | **Non Current Liabilities** | | | |
| | | | | |
| 3 | **Current Liabilities** | | | |
| | (a) Trade Payables | 2.3 | 9,904,608.00 | 314,992.08 |
| | (b) Short term provisions | 2.4 | 210,015.00 | 1,650,000.00 |
| | | | | |
| | **TOTAL** | | **21,143,598.01** | **12,092,355.66** |
| II | **ASSETS** | | | |
| 1 | **Non-current assets** | | | |
| | (a) Fixed assets | | | |
| | (i) Property, Plant & Equipment | 2.5 | 99,034.00 | 121,829.00 |
| | (ii) Intangible assets | 2.5 | 5,233.00 | 14,206.00 |
| | (b) Deferred Tax Asset | 2.6 | 22,700.00 | 12,722.00 |
| | | | | |
| 2 | **Current assets** | | | |
| | (a) Trade receivables | 2.7 | - | 900,000.00 |
| | (b) Cash and Bank Balances | 2.8 | 18,538,031.01 | 3,178,015.66 |
| | (c) Short-term loans and advances | 2.9 | 1,074,000.00 | 67,000.00 |
| | (d) Other Current Assets | 2.10 | 1,404,600.00 | 7,798,583.00 |
| | | | | |
| | **TOTAL** | | **21,143,598.01** | **12,092,355.66** |
| | | | - | - |
| | See accompanying notes to the financial statements | 1 & 2 | | |

**For and on behalf of the Board**

**Mr. S.S. Mundaplakkal** — **Whole Time Director** — **Din: 06429415**

**Mr. S.S Ramamurthy** — **Director** — **Din:02393209**

**Mr. Bikash Dash** — **CFO**

**Mr. Manish Chetani** — **Company Secretary**

**Place : Chennai**

**Date : 27.05.2017**

**As per our report of even date**

**For C.Ramasamy & B.Srinivasan**
**Chartered Accountants**
**FRN:002957S**

**C.Ramasamy**
**Partner**
**M.No.23714**

**OTCO INTERNATIONAL LIMITED**
**1/1,21st CROSS, C.M.H. ROAD, LAKSHMIPURAM**
**HALASURU, BANGALORE, KARNATAKA - 560008**
**PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31.03.2017**

| | PARTICULARS | Note No. | 31.03.2017 Rs. | 31.03.2016 Rs. |
|---|---|---|---|---|
| I | **Revenue from operations:** | | | |
| | Revenue from Operations | 2.11 | 14,934,783.00 | 55,000,000.00 |
| | Other income | | 571,060.00 | 139,993.00 |
| III | **Total Revenue (I + II)** | | **15,505,843.00** | **55,139,993.00** |
| IV | **Expenses** | | | |
| | Direct expenses | 2.12 | 11,307,893.00 | 43,106,309.00 |
| | Employee Cost | 2.13 | 1,212,977.00 | 1,038,120.00 |
| | Depreciation | 2.5 | 107,640.00 | 151,516.50 |
| | Other Expenses | 2.14 | 1,935,699.57 | 2,410,965.04 |
| | **Total Expense** | | **14,564,209.57** | **46,706,910.54** |
| V | **Profit before exceptional and extraordinary items and tax (III-IV)** | | 941,633.43 | 8,433,082.46 |
| VI | **Exceptional Items** | | - | - |
| VII. | **Profit before extraordinary items and tax (V-VI)** | | 941,633.43 | 8,433,082.46 |
| VIII | **Extraordinary items** | | | |
| IX | **Profit before tax (VII-VIII)** | | 941,633.43 | 8,433,082.46 |
| X | **Tax expense:** | | | |
| | (1) Current tax | | 50,000.00 | 1,650,000.00 |
| | (2) Deferred tax | | (9,978.00) | (29,373.00) |
| XI | **Profit/(Loss) for the period from continuing operations (IX - X)** | | 901,611.43 | 6,812,455.46 |
| XII | **Profit/(Loss) for the period from discontinuing operations** | | | |
| XIII | **Tax expense of discontinuing operations** | | | |
| XIV | **Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)** | | - | - |
| XV | **Profit/(Loss) for the period (XI + XIV)** | | **901,611.43** | **6,812,455.46** |
| XVI | **Earnings per equity share:** | | | |
| | (1) Basic | | 0.35 | 2.63 |
| | (2) Diluted | | 0.35 | 2.63 |
| | See accompanying notes to the financial statements | 1 & 2 | | |

**For and on behalf of the Board**

**Mr. S.S. Mundaplakkal** — **Whole Time Director** — **Din: 06429415**

**Mr. S.S Ramamurthy** — **Director** — **Din:02393209**

**Mr. Bikash Dash** — **CFO**

**Mr. Manish Chetani** — **Company Secretary**

**Place : Chennai**

**Date : 27.05.2017**

**As per our report of even date**

**For C.Ramasamy & B.Srinivasan**

**Chartered Accountants**

**FRN:002957S**

**C.Ramasamy**

**Partner**

**M.No.23714**

**OTCO INTERNATIONAL LIMITED**

**1/1,21st CROSS, C.M.H. ROAD, LAKSHMIPURAM**

**HALASURU, BANGALORE, KARNATAKA - 560008**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017**

| PARTICULARS | 31.03.2017 Rs. | 31.03.2016 Rs. |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| Profit before tax | 941,633.43 | 8,433,082.46 |
| | | |
| **Non-Cash adjustment to reconcile profit before tax to net cash flows** | | |
| Depreciation / Amortization | 107,640.00 | 151,516.50 |
| Inventories written off | - | - |
| Provisions | - | - |
| Interest | (571,060.00) | (139,993.00) |
| Operating Profit before working capital changes | **478,213.43** | **8,444,605.96** |
| | | |
| **Movements in working capital:** | | |
| (Increase) / Decrease in Receivables & others | 7,781,210.00 | (1,697,085.30) |
| (Increase) / Decrease in Loans & Advances | (1,007,000.00) | (46,000.00) |
| (Increase) / Decrease in payables & others | 9,589,615.92 | 97,889.08 |
| Increase / (Decrease) in Current Liabilities & Provision | (1,489,985.00) | - |
| **Cash generated from / ( used in) operations** | 15,352,054.35 | 6,799,409.74 |
| Direct Taxes paid (net of refunds) | (487,227.00) | (5,509,099.00) |
| **Net Cash flow from/ (used in) Operating Activities (A)** | 14,864,827.35 | 1,290,310.74 |
| | | |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | |
| Purchase of Fixed Assets | (75,872.00) | (118,150.00) |
| Interest | 571,060.00 | 139,993.00 |
| **Net Cash flow from/ (used in) Investing Activities (B)** | 495,188.00 | 21,843.00 |
| | | |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Short Term Loan | | - |
| **Net Cash flow from/ (used in) Financing Activities (C)** | - | - |
| | | |
| Net Increase / (Decrease) in Cash and Cash Equivalents (A) + (B) + (C) | 15,360,015.35 | 1,312,153.74 |
| Effect of Exchage Differences on Cash & Cash Equivalents held in Foreign Currency | | |
| Cash and Cash equivalents at the beginning of the year | 3,178,015.66 | 1,865,861.92 |
| **Cash and Cash equivalents at the end of the year** | 18,538,031.01 | 3,178,015.66 |

| | | |
|---|---|---|
| **For and on behalf of the Board** | | **As per our report of even date** |
| | | **For C.Ramasamy & B.Srinivasan** |
| **Mr. S.S Mundaplakkal** | **Mr. S.S.Ramamurthy** | **Chartered Accountants** |
| **Whole Time Director** | **Director** | **FRN:002957S** |
| **Din:06429415** | **Din: 02393209** | |
| | | |
| **Mr. Bikash Dash** | **Mr. Manish Chetani** | |
| **CFO** | **Company Secretary** | **C.Ramasamy** |
| **Place : Chennai** | | **Partner** |
| **Date: 27.05.2017** | | **M.No.23714** |

**OTCO INTERNATIONAL LIMITED**
**1/1, 21ST CROSS, C.M.H ROAD, LAKSHMIPURAM, HALASURU**
**BANGALORE, KARNATAKA - 560008**
**NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017**

| **Note No: 2.1 - SHARE CAPITAL** | | |
|---|---|---|
| **Particulars** | **31.03.2017** | **31.03.2016** |
| | **Rupees** | **Rupees** |
| **Authorised Share Capital** | | |
| 30,00,000 Equity Shares of Rs 10/- each | 3,00,00,000.00 | 3,00,00,000.00 |
| **Issued, Subscribed and Paid up Capital** | | |
| 25,93,624 Equity Shares of Rs 10/- each | 2,59,36,240.00 | 2,59,36,240.00 |
| | | |
| **TOTAL** | **2,59,36,240.00** | **2,59,36,240.00** |

| **Note No: 2.1.2 - List of Share holders having 5% or more Shares (In Nos) : -** | | | | |
|---|---|---|---|---|
| **Name of Shareholders** | **As on 31.03.2017** | | **As on 31.03.2016** | |
| | **In Nos** | **In %** | **In Nos** | **In %** |
| PRADEEP KUMAR PANDA | 13,62,223 | 52.52% | 13,49,571 | 52.03% |
| | **13,62,223** | **52.52%** | **13,49,571** | **52.03%** |
| As per records of the Company, including its register of shareholders / members. | | | | |

| **Note No: 2.2 - RESERVES AND SURPLUS** | | |
|---|---|---|
| **Particulars** | **31.03.2017** | **31.03.2016** |
| | **Rupees** | **Rupees** |
| **a) Securities Premium** | | |
| Opening Balance | 2,87,500.00 | 2,87,500.00 |
| Add : Premium during the year | - | - |
| Closing Balance | 2,87,500.00 | 2,87,500.00 |
| | | |
| **b) General Reserve** | | |
| Opening Balance | 28,00,000.00 | 28,00,000.00 |
| Add : Transfer during the year | - | - |
| Closing Balance | 28,00,000.00 | 28,00,000.00 |
| | | |
| **c) Surplus/ (Deficit) in the statement of Profit and Loss** | | |
| Balance as per Last Financial Statement | (1,88,96,376.42) | (2,57,08,831.88) |
| Add: Profit During The Year | 9,01,611.43 | 68,12,455.46 |
| Closing Balance | (1,79,94,764.99) | (1,88,96,376.42) |
| | | |
| **TOTAL** | **(1,49,07,264.99)** | **(1,58,08,876.42)** |

**Note No: 2.3 - TRADE PAYABLES**

| Particulars | 31.03.2017 Rupees | 31.03.2016 Rupees |
|---|---|---|
| **Trade payables** | | |
| For Services | 92,06,808.00 | - |
| For Expenses | 3,35,000.00 | 2,81,569.00 |
| **Others** | | |
| Service Tax | 1,31,545.00 | 33,423.08 |
| TDS Payable | 2,31,255.00 | - |
| **TOTAL** | **99,04,608.00** | **3,14,992.08** |

**Note No: 2.4 - SHORT TERM PROVISIONS**

| Particulars | 31.03.2017 Rupees | 31.03.2016 Rupees |
|---|---|---|
| Provision for Income tax | 2,10,015.00 | 16,50,000.00 |
| **TOTAL** | **2,10,015.00** | **16,50,000.00** |

**Note No: 2.6 - DEFERRED TAX ASSET**

| Particulars | 31.03.2017 Rupees | 31.03.2016 Rupees |
|---|---|---|
| Deffered Tax Asset (Difference in depreciation) | 22,700.00 | 12,722.00 |
| **TOTAL** | **22,700.00** | **12,722.00** |

**Note No: 2.7 - TRADE RECEIVABLES**

| Particulars | 31.03.2017 Rupees | 31.03.2016 Rupees |
|---|---|---|
| **Unsecured** | | |
| **Over Six Months - From Due Date** | | |
| Good | - | 9,00,000.00 |
| Doubtful | | |
| Less : Provision for Doubtful Debts | | - |
| **TOTAL** | **-** | **9,00,000.00** |

**Note No: 2.8 - CASH AND BANK BALANCES**

| Particulars | 31.03.2017 Rupees | 31.03.2016 Rupees |
|---|---|---|
| **-Cash and Cash Equivalents** | | |
| Balance with Banks | | |
| - current account | 89,58,913.01 | 25,490.66 |
| - Deposit account | 95,00,000.00 | 30,00,000.00 |
| Cash on Hand | 79,118.00 | 1,52,525.00 |
| | **1,85,38,031.01** | **31,78,015.66** |

**Note No: 2.5 - FIXED ASSETS**

| SR. NO. | DESCRIPTION OF ASSETS | RATE | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | COST AS ON 01.04.2016 | ADDITION DURING THE YEAR | DJUSTMENT DURING THE YEAR | TOTAL COST AS AT 31.03.2017 | AS ON 01.04.2016 | DURING THE YEAR | ADJUSTMENTS | AS ON 31.03.2017 | AS ON 31.03.2017 | AS ON 31.03.2016 |
| | | | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| | **Tangible Assets** | | | | | | | | | | | |
| 1 | Plant and Equipment | 45.07% | 296,145.00 | - | - | 296,145.00 | 251,275.00 | 20,223.00 | - | 271,498.00 | 24,647.00 | 44,870.00 |
| 2 | Computers Hardware | 63.16% | 242,350.00 | 57,825.00 | - | 300,175.00 | 195,865.00 | 65,882.00 | - | 261,747.00 | 38,428.00 | 46,485.00 |
| 3 | Furniture & Fittings | 25.89% | 164,447.00 | 18047 | - | 182,494.00 | 133,973.00 | 12,562.00 | - | 146,535.00 | 35,959.00 | 30,474.00 |
| | | | | | | | | | | | | |
| | **Sub Total** | | **702,942.00** | **75,872.00** | - | **778,814.00** | **581,113.00** | **98,667.00** | - | **679,780.00** | **99,034.00** | **121,829.00** |
| | **Intangible Assets:-** | | | | | | | | | | | |
| 4 | Computers Software | 63.16% | 10,328,608.00 | - | - | 10,328,608.00 | 10,314,402.00 | 8,973.00 | - | 10,323,375.00 | 5,233.00 | 14,206.00 |
| | | | | | | | | | | | | |
| | **Sub Total** | | **10,328,608.00** | - | - | **10,328,608.00** | **10,314,402.00** | **8,973.00** | - | **10,323,375.00** | **5,233.00** | **14,206.00** |
| | | | | | | | | | | | | |
| | **Total** | | **11,031,550.00** | **75,872.00** | **0.00** | **11,107,422.00** | **10,895,515.00** | **107,640.00** | **0.00** | **11,003,155.00** | **104,267.00** | **136,035.00** |
| | **Previous Year** | | **10,913,400.00** | **118,150.00** | - | **11,031,550.00** | **10,743,998.50** | **151,516.50** | - | **10,895,515.00** | **136,035.00** | **169,401.50** |

**Note No: 2.9 - SHORT TERM LOANS AND ADVANCES**

| Particulars | 31.03.2017 Rupees | 31.03.2016 Rupees |
|---|---|---|
| **Unsecured Considered Good** | | |
| Advance to staff and others | 10,74,000.00 | 67,000.00 |
| **TOTAL** | **10,74,000.00** | **67,000.00** |

**Note No: 2.10 - OTHER CURRENT ASSETS**

| Particulars | 31.03.2017 Rupees | 31.03.2016 Rupees |
|---|---|---|
| TDS Receivable | 4,87,227.00 | 56,47,589.00 |
| Interest on Fixed Deposit Receivable | 1,33,863.00 | 1,25,994.00 |
| Advances | 7,83,510.00 | 20,25,000.00 |
| **TOTAL** | **14,04,600.00** | **77,98,583.00** |

**Note No: 2.11 - REVENUE FROM OPERATION**

| Particulars | 31.03.2017 Rupees | 31.03.2016 Rupees |
|---|---|---|
| Consultancy / Services Charges Received | 1,49,34,783.00 | 5,50,00,000.00 |
| **TOTAL** | **1,49,34,783.00** | **5,50,00,000.00** |

**Note No: 2.12 - DIRECT EXPENSES**

| Particulars | 31.03.2017 Rupees | 31.03.2016 Rupees |
|---|---|---|
| Project Expenses / Service charges paid | 1,13,07,893.00 | 4,31,06,309.00 |
| **TOTAL** | **1,13,07,893.00** | **4,31,06,309.00** |

**Note No: 2.13 - EMPLOYEE BENEFIT EXPENSES**

| Particulars | 31.03.2017 Rupees | 31.03.2016 Rupees |
|---|---|---|
| Salaries | 10,51,752.00 | 8,62,610.00 |
| Bonus | 1,47,617.00 | 77,100.00 |
| Staff welfare | 13,608.00 | 4,410.00 |
| **TOTAL** | **12,12,977.00** | **9,44,120.00** |

**Note No: 2.14 - OTHER EXPENSES**

| Particulars | 31.03.2017 Rupees | 31.03.2016 Rupees |
|---|---|---|
| Advertisement and Subsc ription | 41,360.00 | 61,749.00 |
| Audit Fees | 1,50,000.00 | 1,50,000.00 |
| Books and Periodicals | 882.00 | 1,130.00 |
| Depository Service Charges - CDSL | 19,000.00 | 24,000.00 |
| Depository Service Charges - NSDL | 15,000.00 | 14,000.00 |
| Hospitality Expenses | 14,559.00 | - |
| Director Remuneration | 3,36,050.00 | 94,000.00 |
| Listing Fees | 2,00,000.00 | 2,00,000.00 |
| Legal and Professional Fees | 14,000.00 | 59,500.00 |
| Misc Expenses | 22,794.84 | 29,083.96 |
| Postage and Courier Charges | 25,665.00 | 14,148.00 |
| Printing and Stationery | 24,080.00 | 61,501.00 |
| Office Exp | 30,000.00 | 47,875.00 |
| Office Rent | 60,000.00 | 20,000.00 |
| Telephone Charges | 10,276.35 | 20,180.00 |
| Web Designing Charges | 6,500.00 | 9,500.00 |
| Meeting Expenses | 57,281.00 | 72,038.00 |
| Professional Charges | 6,44,000.00 | 6,91,000.00 |
| Rates & Taxes | 1,16,130.50 | 3,15,436.08 |
| RTA Expenses | 11,394.58 | 1,84,365.00 |
| Travelling Expenses | 1,23,080.00 | 4,24,029.00 |
| Bank charges | 556.30 | - |
| Repairs and maintenance | 3,090.00 | 11,430.00 |
| Processing Charges | 10,000.00 | - |
| **TOTAL** | **19,35,699.57** | **2,410,965.04** |
| **Audit Fees** | | |
| a) As Auditor | 100,000.00 | 100,000.00 |
| b) Tax audit | 50,000.00 | 50,000.00 |
| c) Other services | - | - |
| **TOTAL** | **150,000.00** | **150,000.00** |

**Note No: 2.18 - ADDITIONAL INFORMATION TO FINANCIAL STATEMENT**

a) Contingent Liability & Commitments - Nil (31.03.2016 - Nil)

b) Earnings in Foreign Currency - Nil ( 31.03.2016 - Nil)

c) Expenditure in Foreign Currency - Nil ( 31.03.2016 - Nil)

d) Amount remited during the year in foreign exchange on account of dividend for the previous year - Nil

e) Under Micro, Small & Medium Enterprises Development Act 2006, certain disclosures are required to be made relating to such enterprises. In view of the insufficient information from suppliers regarding their coverage under the said Act, no disclosure have been made in the accounts. However, in view of the management the impact of interest if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

f) Previous year figures have been regrouped & reclassified wherever necessary.

g) In the opinion of the Board of Directors Current Assets, Loans & Advances have a value on realisation in the ordinary course of business atleast equal to the amount stated.

h) Directors remuneration - 336050/- (31.03.2016 - Rs.94000/-)

i) The notes referred to in the Profit & Loss Account and Balance Sheet form an integral part of accounts.

j) Related Parties

Key Managerial Personal - Mr.Manish Chetani - Company Secretary
- Mr.Bikash Dash - Chief Financial Officer
- Mr.Shaine Sunny Mundaplakkal - Whole time Director

k) Related Party transactions

Mr.Manas Ranjan Sahoo - Rs. Nil - Salary & Bonus paid (31.03.2016 - Rs.269011/-)
Mr.Bikash Dash - Rs.208817/- Salary & Bonus paid (31.03.2016 - 190700/-)
Mr.Manish Chetani - Rs.469053/- Salary & Bonus paid (31.03.2016 - 229354/-)
Mr.Shaine Sunny Mundaplakkal - Rs.336050/- Directors Remuneration (31.03.2016 - 94000/-)

**For and on behalf of the Board**

**As per our report of even date**

| | | | | |
|---|---|---|---|---|
| Mr. S.S.Mundaplakkal | Mr. S.S. Ramamurthy | Mr. Bikash Dash | Mr. Manish Chetani | **For C.Ramasamy & B.Srinivasan** |
| Whole Time Director | Director | CFO | Company Secretary | **Chartered Accountants** |
| Din: 06429415 | Din: 02393209 | | | **FRN:002957S** |

**Place : Chennai** — **C.Ramasasmy**
**Date: 27.05.2017** — **Partner**
**M.No.23714**

## NOTE-1: SIGNIFICANT ACCOUNTING POLICIES

### 1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1.1 These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing counting standard requires a change in the accounting policy hitherto in use.

1.2 The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements. Management believes that these estimate and assumptions are reasonable and prudent. However, Actual results could differ from estimate.

### 2. FIXED ASSETS

2.1 Fixed Assets are stated at cost of construction or acquisition less accumulated depreciation. All other expenses including taxes, duties, freight incurred to bring the fixed assets to a working condition are also treated as the cost of the fixed assets.

2.2 Fixed Assets are stated at acquisition cost less accumulated depreciation or amortization and cumulative impairment.

### 3. DEPRECIATION

Depreciation on Fixed assets is provided on Written Down Value method at the rates and in the manner prescribed under Part C of Schedule II of the Companies Act 2013.

### 4. REVENUE RECOGNITION

4.1 Revenue from services is recognized in proportion to the services rendered.

### 5. PRIOR PERIOD ITEMS

Significant items of income and expenditure which relate to prior accounting periods (if any) are shown as appropriation of the Profit under the head "Prior Period Items", other than those occasioned by events occurring during or after the close of the year and which are treated as relatable to the current year.

### 6. TAXES ON INCOME

6.1 Provision for current tax made as per the provisions of the Income Tax Act, 1961.

6.2 Deferred Tax Liability or Asset resulting from "timing difference" between book and taxable profit is accounted for considering the tax rate and laws that have been enacted or substantively enacted as on the balance sheet date.

6.3 Deferred Tax Asset is recognized and carried forward only to the extent that there is virtual certainty with convincing evidence that there will be sufficient future income to recover such deferred tax asset.

| For and on behalf of the Board | For and on behalf of the Board |
|---|---|
| SD/- | SD/- |
| Shaine Sunny Mundaplakkal | Subrahmaniya Sivam Ramamurthy |
| Whole Time Director | Director |
| DIN:-06429415 | DIN:-02393209 |

| For and on behalf of the Board | For and on behalf of the Board |
|---|---|
| SD/- | SD/- |
| Mr. Bikash Dash | Manish Chetani |
| Chief Financial Officer | Company Secretary |

| As per our report of even date |
|---|
| For C.Ramasamy & B.Srinivasan<br>Chartered Accountants<br>FRN:002957S |
| SD/- |
| C. Ramasamy |
| Partner (M.No.23714) |

# OTCO INTERNATIONAL LIMITED

CIN: - L17114KA2001PLC028611,
Registered Office : 1/1,21st Cross,C.M.H Road, Lakshmipuram, Halasuru, Bangalore-560008,
Karnataka, India. Phone : Tel: 080-25296825, +919789053807
Email : info@otcointernational.in, Website : www.otcointernational.in

## PROXY FORM

## (Form No.MGT-11)

[ Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

| | |
|---|---|
| Name:- | |
| Address:- | |
| Folio No. | |
| DP ID | |
| Client ID | |
| No. of Shares | |

I / We being the Member(s) of ……. Shares @Rs.10 each of the above named Company hereby appoint

1.Name……email id;-……

Address;--…… signature;-…….....….

2. Name……email id;-……

Address;--…… signature;-…….....……

3. Name……email id;-……

Address;--…… signature;-…….....…

As am/our proxy to attend and vote (on poll) for me/us and on my/our behalf at the 36th Annual General Meeting of OTCO INTERNATIONAL LIMITED will be held on Saturday, 23rd September, 2017 at 11.00 A.M. at Mew Ladies Club, 17th Cross (between 4th & 6th Main), Malleswaram, Bengaluru -560055, Karnataka and at any adjournment thereof in respect of resolutions mentioned in the notice.

Signed this……. day of …….2017

Affix Rs.1/- Revenue stamp

Name…… Address …….

Signature of Proxy Signature

Note; - This Form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting. the proxy need not be a member of the Company.

# OTCO

*Evolving With Passion*

## OTCO INTERNATIONAL LIMITED

**CIN: L17114KA2001PLC028611**

**Registered Office: 1/1, 21st Cross, C M H Road, Lakshmipuram, Halasuru, Bangalore - 560008**
**Tele: +91 80 25296825, Email: info@otcointernational.in, Website: www.otcointernational.in**

---

## ATTENDANCE SLIP
## 36th ANNUAL GENERAL MEETING

Date: 23rd September 2017 Time: 11:00 A.M.
Venue: MEWS Ladies Club, No.37, BHOOMA, 17th Cross, 4th & 6th Main, Malleswaram, Bengaluru – 560 055

**This attendance slip duly filled in to be handed over at the entrance of the meeting hall**

Name of the attending Member (in block letters):……

Members' Folio Number: ……

Client I.D. No: ……

D.P.I.D No: …… ……

Name of the Proxy (in Block Letters, to be filled in if the proxy attends instead of the members)

……

No. of Shares held: ……

I hereby record my presence at the Thirty Sixth Annual General Meeting of the Company held on Saturday the 23rd September, 2017, at 11:00 A.M. at MEWS Ladies Club, No.37, BHOOMA, 17th Cross, 4th & 6th Main, Malleswaram, Bengaluru – 560 055.

**Signature of Member / Proxy**

The electronic voting particulars are set out below:

| EVSN (Electronic Voting Sequence Number) | PAN No./SEQ.No. | USER ID | PASSWORD |
|---|---|---|---|
| 170724003 | | | Refer AGM Notice |

E-voting facility is available during the following voting period

| Commencement of e-voting | End of e-voting |
|---|---|
| September 20,2017 (9:00 A.M) | September 22,2017 (5.00 P.M) |