

BOOK POST



Odyssey Technologies Ltd

To

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ODYSSEY TECHNOLOGIES LIMITED
Arjay Apex Centre, II Floor
No. 51, College Road, Chennai- 600006

Annual
Report
2010-2011

Board of Directors

Mr.B.Robert Raja
Chairman & Managing Director

Mr.B.Antony Raja
Whole-time Director

Mr.Gautam Jain

Mr.G.Rajasekaran

Mr.U.Rathish Babu

Company Secretary

Ms.S.Ramya

Registered Office

Arjay Apex Centre, II Floor
No. 51, College Road
Chennai - 600006
Phone : 91 44 2823 3495
Fax : 91 44 2827 1559
Email : investors@odysseytec.com
URL : <http://www.odysseytec.com>

Solicitors & Advocates

Mr. Muraleedhara Reddy
Ground Floor, New No. 21, Old No. 11,
Venkataraman Street, Chennai - 600 017.

Auditors

M/s. B B Naidu & Co.
MC-PARKWAY
122(New #36),Marshalls Road,
Egmore,Chennai- 8

Bankers

HDFC Bank
Tamilnad Mercantile Bank
Oriental Bank of Commerce

Registrar & Share transfer agents

M/s. Cameo Corporate Services Limited
"Subramanian Building"
1, Club House Road
Chennai - 600002
Phone : 91 44 28460390
Email : cameosys@satyam.net.in

Index	Page
Notice	2
Directors' Report	4
Management Discussion and Analysis	7
Corporate Governance Report and shareholder information	8
Auditors' report	15
Balance sheet	18
Profit and loss account	19
Schedules forming part of balance sheet and profit & loss account	20
Notes on accounts	26
Cash flow statement	29
Attendance Slip and Proxy form	31



Notice

NOTICE is hereby given that the Twenty first Annual General Meeting of the shareholders of Odyssey Technologies Limited will be held on Wednesday, September 28, 2011 at 3.00 p.m. at Siddhartha Hall, Hotel Goutham Manor, No.74, Mahatma Gandhi Road, Chennai - 600034 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited accounts of the company for the year ended March 31, 2011 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. G. Rajasekaran, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Messers B B Naidu & Co, Chartered Accountants, the retiring Auditors of the company, as Statutory Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification the following Resolution as an Ordinary Resolution.
"RESOLVED THAT Mr. U.Rathish Babu a director who was appointed as an additional director at the meeting of the Board of Directors held on 10th August 2011 and who holds office as such up to the date of this Annual General Meeting be and is hereby appointed as director of the company liable to retire by rotation"

By order of the Board

Place: Chennai
Date : August 10, 2011

S Ramya
Company Secretary

Notes

1. Details pursuant to clause 49 of the Listing Agreement with the Stock Exchanges in respect of Director seeking appointment / reappointment at the Annual General Meeting for item 2 – reappointment of Director Mr. G. Rajasekaran and item 4 - appointment of Director Mr. U.Rathish Babu are detailed under clause 2(c) of the Corporate Governance Report.
2. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the resolution

seeking approval for appointment of Director is annexed hereto for item no. 4

3. Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of this company. The instrument appointing proxies, nevertheless, should be deposited at the registered office of the company not later than forty eight hours before the commencement of the meeting.
4. Shareholders are requested to bring their copy of Annual Report to the meeting.
5. Shareholders and proxies are requested to fill the Attendance Slip for attending the meeting.
6. In case of Joint Holders, where more than one person attend the meeting, only such holder whose name appears on top of the order will be entitled to vote.
7. Shareholders who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting. In addition, such members who hold shares in more than one folio are requested to write to the company immediately enclosing their share certificates for consolidation of their holdings in one folio.
8. All documents referred to in the Notice are open for inspection at the registered office of the company on all working days during office hours up to the date of the Annual General Meeting.
9. The register of members and the share transfer books of the company shall remain closed from September 26, 2011 to September 28, 2011 both days inclusive.
10. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
11. Consequent upon the introduction of section 109A of the Companies Act, 1956 shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Registrar and Share Transfer Agents, M/s. Cameo Corporate Services Limited. The said Form 2B can also be downloaded from the website of the company www.odysseytec.com

12. Shareholders holding the shares in dematerialized mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address etc to their Depository Participant (DP). These changes will be automatically reflected in the company's records.

Explanatory Statement pursuant to Section 173 (2) of the Companies Act 1956.

Item No. 4

Mr. U. Rathish Babu was appointed as an additional director of the Company on 10-08-2011 by the Board of Directors of the company. According to the provisions of Section 260 of the companies Act, 1956, he holds office only upto the date of ensuing Annual General Meeting of the Company. As required by section 257 of the Companies Act, 1956, a notice has been received from a member signifying his intention to propose appointment of Mr. U. Rathish Babu as a director. The Board considers it desirable that the Company should avail itself of his services.

Mr.U.Rathish Babu may deem to be concerned or interested in the passing of the resolution appointing himself. None of the other Directors are concerned or interested in the passing of the resolution.

By order of the Board

Place: Chennai
Date : August 10, 2011

S Ramya
Company Secretary

DIRECTORS' REPORT

The Directors are delighted to present their report on the business and operations of your Company along with the Annual Report and audited financial statements for the financial year 2010-11.

FINANCIAL HIGHLIGHTS

	Rs. lakhs	
	FY 2010-11	FY 2009-10
Income from operations	531.51	324.27
Other income	9.39	1.73
Operating cost	219.93	144.48
Compensation, Admin & Other expenses	158.46	146.14
Depreciation, Amortisation & Non-cash expenses	12.54	12.50
Profit from operations	149.97	22.88
Loss b/f from Taexpert.com Ltd as a result of merger	(18.48)	-
Total loss carried forward	(1204.71)	(1336.38)

SHARE CAPITAL

During the year there was no change in the subscribed and paid up equity share capital of the company.

RESERVES AND SURPLUS

Since there was no allotment made during the year, the Reserves & Surplus remain the same as that of the previous year.

DIVIDEND

Dividend on equity shares of the company for the year ended March 31, 2011 could not be recommended by your Directors in view of the carried forward loss from the previous years.

BOARD OF DIRECTORS

Mr. P. S. Reddy, Independent Director ceased to be director of the company w.e.f 14th March 2011. The Board places on record its appreciation to Mr. P. S. Reddy for the valuable services rendered by him during his tenure as director of the company.

Mr. G. Rajasekaran, Independent Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Pursuant to Section 260 of the Companies Act, 1956, Mr. U. Rathish Babu was appointed as Additional Director of the Company on 10-08-2011 subject to the approval of Members in the ensuing Annual General Meeting. The Board recommends to the members the resolution for

appointment of Mr.U.Rathish Babu as Director of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to clause 49 of the listing agreement, a management discussion and analysis report is given as a part of this report.

CORPORATE GOVERNANCE

Your company has been practicing good Corporate Governance policies. Pursuant to clause 49 of the listing agreement, a report on Corporate Governance along with auditors certificate for its compliance is included as a part of the annual report.

FINANCIAL CONDITIONS AND RESULTS OF OPERATION

Management discussion and analysis report for the year under review, as stipulated in clause 49 of the listing agreement is given as a separate part of the annual report. It contains a detailed write up and explanation about the performance of the company.

SUBSIDIARY COMPANIES

M/s.Taexpert.com Limited, a wholly owned subsidiary has been amalgamated with M/s.Odyssey Technologies Limited vide Court Order C.P.No.16/2011 dated 2nd March, 2011. Another wholly owned subsidiary, M/s. Odyssey Secure Commerce Pte Limited, Singapore which was wound up by the High Court of Singapore on 13th January 2006 and was under liquidation process for the past five years, has been struck off the register of companies with effect from 13th July 2010 by the Registrar of Companies and Businesses, Singapore. Hence the requirement under section 212 of the Companies Act, 1956 does not arise.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outflow required to be disclosed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the annexure forming part of the report.

PERSONNEL

During the year under review, there were no personnel employed in the company whose particulars have to be set out in the Directors Report as required by the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under section 217(2AA) of the Companies Act, 1956 with respect to Directors' responsibility statement, it is hereby confirmed that:

1. In the preparation of the annual accounts applicable accounting standards have been followed;
2. Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011 and of the profit/(loss) of the Company for the year ended on that date.
3. Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and

for preventing and detecting fraud and other irregularities; and

4. Directors have prepared the annual accounts of the Company on a going concern basis.
5. Proper systems are in place to ensure compliance with all laws applicable to the company.

FIXED DEPOSITS

The company has not accepted any fixed deposits during the year.

RESEARCH AND DEVELOPMENT

During the year a sum of Rs. 7,28,432/- was spent by way of capital expenditure and Rs. 2,19,93,066/- as revenue expenditure towards the company's in-house R&D efforts.

Details of ESOP as per SEBI guidelines

Particulars	ESOP 2001	ESOP 2003	ESOP 2004	ESOP 2006
Options granted	129950	175000	210000	331300
Pricing formula	As per scheme	As per scheme	As per scheme	As per scheme
Options vested as on March 31, 2011	0	0	0	33874
Total No. of shares arising as a result of exercise of option as on March 31, 2011	0	0	0	0
Options lapsed • On account of time and resignation of employees • On account of non acceptance	123755 970	154025 0	178375 0	296876 0
Options exercised by employees during the previous years	5225	20975	31625	550
Variation of terms of options	NA	NA	NA	NA
Money realized by exercise of options in the FY 2010-11	Nil	Nil	Nil	Nil
Total no. of options in force	0	0	0	33874
Employee wise details of options granted : Senior Managerial personnel	7200	8800	30000	24000

AUDITORS

Messers B B Naidu & Co, Chartered Accountants, Statutory Auditors of the company who hold office until the conclusion of the forthcoming annual general meeting have confirmed vide the declaration obtained from them under section 224(1)(B) of the Companies Act, 1956 that they are eligible for reappointment and the reappointment, if made would be within the prescribed limits as stated under that section.

Government Authorities, Customers, Vendors and Shareholders during the year under review, in aiding the smooth flow of operations. Continued dedication and sense of commitment shown by the employees at all levels during the year deserve special mention.

For and on behalf of the Board of Directors

ACKNOWLEDGEMENT

Your directors express their grateful appreciation for the assistance and cooperation received from the Banks,

Place: Chennai

Date : August 10, 2011

B Robert Raja
Chairman & Managing Director



ANNEXURE TO DIRECTORS' REPORT

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

A Conservation of energy:

- (a) Energy conservation measures taken:
1. The company is in the business of Information Technology products and belongs to software industry, which is at present not covered under the list of industries that is required to furnish information in Form A specified under the rule. Hence Form A containing the disclosure of particulars with respect to conservation of energy is not annexed.
 2. Electricity consumption of the company is controlled with efficient monitoring mechanisms and employee training in energy conservation.
 3. Electrical infrastructure in the company is fully geared to automatically conserve the valuable energy resources.
- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy: **None**
- © Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:
Electricity consumption has always been under control with judicious consumption.
- (d) Total energy consumption and energy consumption per unit of production as per Form A of the annexure in respect of industries specified in the schedule thereto: **Not annexed, as the industry in which the company is engaged is not covered under the list specified by the law.**

B Technology absorption:

- (a) Efforts made in technology absorption are given in Form B annexed to this report.

C Foreign exchange earnings and outgo:

- (a) Total foreign exchange used and earned:
- | | |
|---|-----------------|
| Total foreign exchange earnings during the year (in terms of INR) | : Rs.34,063/- |
| Total foreign exchange used for operations (in terms of INR) | : Rs.1,87,221/- |
| Total foreign exchange outflow as investments in subsidiary company | : NIL |

FORM B**Form for disclosure of particulars with respect to absorption.****Research and development (R & D)****1. Specific areas in which R & D is carried out by the company:**

Odyssey's R & D labs in the registered office premises have been functional since 1999. Odyssey's entire focus is on Cryptographic Algorithms, Public Key Infrastructure and PKI enabled security applications.

2. Benefits derived as a result of the above R & D:

The entire range of products in Odyssey's offerings have been developed out of these in-house R & D efforts and Odyssey owns the IPR of all these world-class products.

3. Future plan of action:

Odyssey intends to continue to bring more innovation into the existing product range and also make the range suitable for a wider range of vertical segments than now.

4. Expenditure on R & D:

- | | |
|---|---|
| (a) Capital | Rs. 7,28,432/- was spent during the year for purchase of various equipments and other infrastructure needed for the R&D. |
| (b) Recurring | Rs.2,19,93,066/-has been spent during the year for the functioning of R&D department. That includes cost of development, hardware & software support, port charges and Internet connectivity charges etc. |
| (c) Total | Rs. 2,27,21,498/- |
| (d) Total R & D expenditure as a percentage of total turnover | : 42.75 % |

Technology absorption, adaptation and innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

As Odyssey is itself in the business of technology, its entire efforts are geared towards absorbing and making usable technological advances as they emerge.

2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.

Odyssey has developed and maintains a set of world-class security products as a result of its technology efforts.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:

NA

- | |
|--|
| (a) Technology imported. |
| (b) Year of import. |
| (c) Has technology been fully absorbed? |
| (d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action. |

**MANAGEMENT DISCUSSION AND ANALYSIS**

Pursuant to clause 49 of the listing agreement with the stock exchanges, details of the management discussion and analysis are given below:

INDUSTRY STRUCTURE AND DEVELOPMENT

The company operates in the information security industry with particular focus on Public Key Technologies including PKI and Digital Signature enabled solutions.

While the digital certificate based solutions market continued to be sluggish in terms of number of deployed applications, the certificate market itself has shown reasonable growth during the year. This is primarily due to large scale government applications like the Income Tax Return filing etc.,

The banking sector showed increasing security awareness and several deployments that go beyond a simple password based security model are in process. This is partly helped by the increased stress the Reserve Bank of India has laid on the security measures for digital financial data.

We saw increasing competitive pressure from global companies in transaction security applications.

The customers also showed awareness of the pitfalls of relying on a single security strategy and the pendulum has swung a little to the other side where multiple technologies are put in place for a single problem. As it usually happens, the initial momentum has brought in a number of ineffective technology models also into play. It will take some time for the right combinations of products and technologies to emerge.

The digital certificate based solutions market continued to grow but at its usual rate. Though the market for authentication products continued to grow, several entities chose to go with less secure but simpler mechanisms.

The mobile security technology market also witnessed frequent technology changes and adoption of a number of new platforms and unexpected demise of some old ones. While Android and IOS seem to have emerged ahead of the others, there is no such clear cut winner in sight for the mobile security technologies.

OPPORTUNITIES AND CHALLENGES

In our line of business, authentication for internet based financial transactions is the biggest visible opportunity. The

company has a field tested product suite as well as rich experience in the relevant domains.

Mobile based transactions and security thereof is maturing into another major opportunity area. The company has already ported most of its technology offerings from the PC platform to some of the mobile platforms.

The company also sees another major opportunity emerging as a consequence of the spread of cloud computing. This coupled with the ability to store and manipulate larger and larger data sets is expected to bring in a revolutionary change in the way personal and enterprise computing are done today. This will have major implications for the security techniques employed for financial and healthcare industries. The company has made some investments into this area and is keenly watching the indicators.

The challenges for the company during the year have been the increased competition from global vendors and the consequent price pressures. While the company's products yield reasonable margins, we believe scaling the size of the operations will be the way to go for meeting this two pronged challenge. The company has increased its efforts to do more and more deployments through partners and in expanding the partner base.

PRODUCT WISE PERFORMANCE

Most of the revenue during the year came from the existing customer base. However, there were four additions who together contributed about 9% of the revenues.

Of the total revenue of 53.15 million rupees, 38% came from product licenses or enhancements, 34% from customization and maintenance services and 28% from the one-off transaction of sale of usage rights to a large database.

From a product stream perspective, Snorkel provided 73% of the revenue, AltaSigna 5%, Certrix 19% and Taexpert 3%.

OUTLOOK

The outlook is reasonably optimistic in the near term and fairly bright in the longer term. The company has a reasonable strategy in place to capitalize on the new growth segments and is confident of executing it efficiently.

RISKS AND CONCERNS

We continued to face problems in large opportunities owing to our physical and balance sheet size. Almost all of such opportunities during the year were addressed through partners. This has its own effect on margins and flexibility.



We do not accept or receive sensitive, customer-owned data into our control or premises. But our products are used for protecting such sensitive data by the customers and some risk associated with emerging cyber-threat models exists. We continue to be on our guard against such concerns and our products are constantly re-engineered to minimize these concerns.

INTERNAL CONTROL SYSTEMS

Internal control systems continued to function as effectively as in the past. Top management and the Board of Directors and the Committees thereof continue to be actively involved in ensuring that all controls work as desired.

FINANCIAL AND OPERATIONS PERFORMANCE

During the year, one of the wholly owned subsidiaries was finally wound up and the other was merged with the company. This has had the effect of simplifying the operations as everything is under a single entity now.

There was also a one-off transaction of sale of usage rights to a large database. This has also helped in improving the cash flow of the company during the year.

The financial performance marginally improved compared to the earlier year with some impact of earlier recession and increase in competition. The increasing man power costs also had a sizable impact on the performance.

The total expenditure during the year was Rupees 39.09 million against Rupees 30.31 millions of the earlier year.

The interest cost was down at Rupees 0.13 million as against Rupees 0.22 million in the earlier year.

RESEARCH AND DEVELOPMENT

We continue to heavily invest in terms of both monetary and other resources for continuing research. We believe that continuing research is absolutely essential for keeping our competitive edge.

HUMAN RESOURCES DEVELOPMENT

There were fifty five employees in the rolls of Odyssey as against fifty four at the end of last year.

The staff compensation levels at the company are almost on par with the best in the domestic industry. Attrition levels have been under reasonable control.

CORPORATE GOVERNANCE REPORT

The detailed report on Corporate Governance for the financial year April 1, 2010 to March 31, 2011 as per Clause 49 of the Listing Agreement entered with Stock Exchanges is set out below.

1) Odyssey's philosophy on Code of Governance

The company in its practice manifests transparency, accountability and uprightness in all operations. Odyssey is committed to achieving the set standards in Corporate Governance.

2) Board of directors

a. Composition and category

The composition of the board of directors of the company as on 31st March 2011 was as under.

Name	Designation	Category	Directorships in other Companies	Chairpersonship & Membership of Committees of Board of other Companies
Mr. B. Robert Raja	Chairman & Managing Director	Promoter / Executive Director	Nil	Nil
Mr. B. Antony Raja	Whole-time Director	Promoter / Executive Director	Nil	Nil
Mr. Gautam Jain	Director	Independent, Non-executive Director	Nil	Nil
Mr. G. Rajasekaran	Director	Independent, Non-executive Director	1	Nil

b. Other changes in the board during the financial year 2010-11

Mr. P. S. Reddy, Independent Director ceased to be a director of the company w.e.f 14th March 2011.



c. Details of the Directors proposed for appointment / reappointment

Name of the Director	Mr. G.Rajasekaran	Mr. U. Rathish Babu
Date of birth	23-01-1953	02-05-1966
Date of appointment on the Board	August 14, 2010	August 10, 2011
Date of last reappointment	-	-
Qualification	An ex-Indian Administrative Service (IAS) officer with over 26 years of experience in several senior positions.	Bachelors degree in Engineering – Instrumentation & Control Engineering from Bharathiar University. Senior Management Program from IIM, Bangalore.
Brief profile	Being an IAS officer of 1983 batch of Kerala cadre he has served in various senior capacities for a period of over 26 years. He is a renowned film director and has won several national and state awards for his films. He is currently heading the SRM Film institute.	Started his career with HCL-HP Ltd where he was handling large Government institutions on specialized software applications. He later started his own company as a system integrator specializing in large area networks and fiber optic networks. Currently functioning as the CEO of Access Atlantech Edutainment Ltd which runs the world's largest brand in media education – SAE College International. He brings 20 years of rich technology and business experience in the fields of information and media technologies.
Expertise in specific functional areas	Film making, Graphic arts and general administration	Information Technology Software solutions for the Media & Entertainment Education industry.
List of outside Directorship held	BGR Energy Systems Limited	1. Nestech Consulting Private Limited 2. Magnus Media Private Limited 3. Access Atlantech, UK 4. Collaboration Management & Control Solutions Private Limited 5. Access Atlantech Edutainment Limited 6. Aalaap Creez & Converse Pvt Ltd
Chairman/Member of the Committees of Board of Directors of the Company	Remuneration Committee, Audit Committee	-
Chairman/Member of the Committees of Board of Directors of other Companies in which Directorship is held	None	None
No. of Shares held in the Company	NIL	1500

d. Board Meetings and Related Information

During the year seven meetings of the Board of Directors were held on April 30, 2010, July 29, 2010, August 14, 2010, August 21, 2010, October 28, 2010, November 24, 2010 & February 1, 2011.

e. The attendance particulars of each Director at the Board Meetings during the financial year 2010-11.

Directors	No. of Board meetings attended during the year	Last AGM Attended
Promoter/Executive Directors		
Mr. B. Robert Raja	7	Yes
Mr. B. Antony Raja	7	Yes
Independent Directors		
*Mr. P. S. Reddy	7	Yes
Mr. Gautam Jain	7	No
Mr. G. Rajasekaran	5	Yes

* Mr.P.S.Reddy ceased to be a director w.e.f. 14-03-2011

f. Details of membership in the committee of Directors

Name	Committee	Profile	Meetings held	Meetings attended
Mr.B.Robert Raja	-	-	-	-
Mr.B.Antony Raja	Share transfer & Investor Grievance Committee	Member	6	6
	Audit Committee	Member	5	5
*Mr.P.S.Reddy	Remuneration Committee	Chairman	1	1
	Audit Committee	Chairman	5	5
Mr.Gautam Jain	Share transfer & Investor Grievance Committee	Chairman	6	6
	Audit Committee	Member	5	5
	Remuneration Committee	Member	1	1
Mr.G.Rajasekaran	Audit Committee	Member	6	3
	Remuneration Committee	Member	1	1

* Mr.P.S.Reddy ceased to be a director w.e.f. 14-03-2011



g. Details of Shares held by the Directors

Name of the Director	No.of Shares
Mr.B.Robert Raja	3,75,700
Mr.B.Antony Raja	1,02,000
Mr.G. Rajasekaran	NIL
Mr.Gautam Jain	NIL

h. Board meeting - other information

The Company holds at least four meetings of the Board of Directors every year. Minimum of seven days notice is served to all the Directors in the Board with a detailed Agenda enabling them to come prepared on the meeting day. Such meetings are normally held at the registered office of the company in Chennai.

The Board in its meeting reviews, analyses and approves the business plan, budgets, capex, quarterly results, half yearly results and limited review by auditors, minutes of the meetings of sub-committees, regulatory notices and reply, agreements and business partnerships entered into with others, statutory compliances, internal rules, regulations, formalities, ethics & procedures and other matters in ordinary course of business.

Minutes of the proceedings of such board meetings are promptly recorded and circulated to all the members for their comments. Within 30 days from the conclusion of the meeting such proceedings are entered in the Minutes Book and signature of the Chairman is obtained on it. Such entered Minutes are usually approved in the next meeting of the Board of Directors.

3) Audit Committee**Composition and terms of reference.**

The Audit Committee had four members: Mr. P.S.Reddy, Independent Non-executive Director was the Chairman of the committee, Mr. Gautam Jain, Independent Director, Mr.G.Rajasekaran, Independent Director & Mr.B.Antony Raja, Promoter / Executive Director were the other members. All the members of the Audit Committee are financially literate.

The terms of reference of the Committee broadly comprise, among others

- Overall review of the Company's periodical financial statements; financial reporting process; disclosure policies and ensuring that they are appropriate, accurate and credible, compliance with legal and other requirements relating to financial statements.

- Recommending the appointment of external auditors and fixation of audit fee and also approval for payment for other services.
- Periodic reviewing of the adequacy of the internal audit; internal controls and discussions with the external auditors thereon, etc.

Meetings and Attendance during the year.

During the year the committee met on April 30, 2010, July 29, 2010, August 21, 2010, October 28, 2010 & February 1, 2011. The attendance particulars are given below:

Name of the Director	No. of meetings attended
*Mr. P.S.Reddy	5
Mr. Gautam Jain	5
Mr. B.Antony Raja	5
Mr. G. Rajasekaran	3

* Ceased to be a director w.e.f. 14-03-2011

4) Remuneration Committee

Remuneration Committee of the Board of Directors consisted of three members. Mr.P.S.Reddy,Independent Non-executive Director was the Chairman of the committee, Mr.Gautam Jain & Mr.G.Rajasekaran,Independent Directors were the members. There was one meeting held on August 14, 2010.

Such Remuneration Committee (also called Compensation Committee) has been constituted to recommend and review the remuneration package of the Managing/Whole-time Directors and employees, based on performance and other criteria. Remuneration policy of the company is directed towards rewarding performance based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice.

a) Details of remuneration to Directors during the year

The aggregate value of salary and perquisites for the year ended March 31, 2011 paid to the Executive Directors are as follows:

Mr B.Robert Raja Chairman & Managing Director	Rs. 24,00,000
Mr B.Antony Raja Whole-time Director	Rs. 14,50,000

The break-up of the above aggregate is detailed below:

	B.Robert Raja	B.Antony Raja
Category	Promoter Director	Promoter Director
*Relationship with directors	Relative of Mr.B.Antony Raja	Relative of Mr.B.Robert Raja
Salary (paid during the year)	19,80,000	10,50,000
Allowances (paid during the year)	4,05,000	3,51,000
Commission / Incentives	0	0
Other annual components	15,000	49,000
Deferred benefits	0	0
Stock options granted during the year	0	0
Sitting fees	0	0

*There are no inter-se relationships between the other Board members.

b) Sitting fee paid to Non-executive Directors

	P.S.Reddy	G.Rajasekaran
Sitting fees	9000	9000

There was no other payment apart from the above to any of the directors.

5) Share Transfer & Investor Grievance Committee

Share Transfer & Investor Grievance Committee was under the chairmanship of Mr.Gautam Jain, Independent Director and the other member of the committee was Promoter / Executive Director Mr.B.Antony Raja. During the year the committee met on 6th April 2010, 13th April 2010, 30th April 2010, 2nd June 2010, 26th July 2010 and 9th November 2010.

The company has not received any complaints from the shareholders during the year under review. Ms.Arthi R, Company Secretary was the Compliance Officer during the year under review as stipulated by the listing agreement. (Ms. Arthi R ceased to be the Secretary and Ms.Ramya S has taken over as Secretary and Compliance Officer of the company w.e.f 13/05/2011)

6) General Body Meetings**a) Location and time of Annual General Meetings held in last 3 years**

Year	AGM	Location	Date	Time
2008	18th	Sri P Obul Reddy Hall, Vani Mahal, T Nagar, Chennai - 17	22-09-2008	3.00 p.m.
2009	19th	Sri P Obul Reddy Hall, Vani Mahal, T Nagar, Chennai - 17	30-09-2009	3.00 p.m.
2010	20th	Siddhartha Hall, Hotel Goutham Manor, No. 74, Mahatma Gandhi Road, Chennai - 600 034	29-09-2010	3.00 p.m.

b) Gist of special resolutions passed in the AGM held during the last three years**AGM held on 22-09-2008**

- Ratification of remuneration paid to Mr.B.Robert Raja, Managing Director for the period 30th May 2005 to 30th May 2008 and approval for payment of remuneration for the period 30th May 2008 to 30th May 2010.
- Ratification of remuneration paid to Mr.B.Antony Raja, Whole-time Director for the period 30th May 2005 to 30th May 2008 and approval for payment of remuneration for the period 30th May 2008 to 30th May 2010.
- Approval for payment of monthly remuneration of Rs.30,000 to Mr. Sisyphus Raja who holds an office or place of profit with effect from 1st July 2008 with the provision to the Board to sanction the monthly remuneration upto Rs.50,000 or such higher limit as may be prescribed in the Directors Relative(Office or Place of Profit) Rules 2003.

AGM held on 30-09-2009

- Revision in remuneration of Mr.B.Robert Raja, Managing Director with effect from 1st June 2009 from Rs.1,50,000/- per month to Rs.2,00,000/- per month till the expiry of the tenure of his office as Managing Director.
- Revision in remuneration of Mr.B.Antony Raja, Whole-time Director with effect from 1st June 2009 from Rs.83,333/-per month to Rs.1,00,000/- per month till the expiry of the tenure of his office as Whole-time Director.

AGM held on 29-09-2010

- The existing Article 89 of the Articles of Association of the company was deleted and a new article was inserted in its place.
- Reappointment of Mr. B.Robert Raja as Managing Director with effect from 30-05-2010 for a period of three years.
- Reappointment of Mr. B.Antony Raja as Whole-time Director with effect from 30-05-2010 for a period of three years.

c) There were no matters requiring approval of the members through Postal Ballot in the year under review.**d) No special resolution is currently proposed to be conducted through Postal Ballot.****7) Disclosures**

- Disclosures have been made in the respective financial statements presented in the Annual Report, on materially significant related party transactions i.e. transactions of the company of material nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc., The company did not undertake any transaction with any related party having potential conflict with the interests of the company at large.



b) The Company has complied with statutory requirements and no penalty or stricture has been imposed on the company by the stock exchanges or Securities and Exchange Board of India (SEBI) or any other statutory authority on any matter related to the capital markets during the last three years.

c) The Company has a whistle blower policy, which provides an avenue for employees to raise concerns of any violations of Code of Conduct, incorrect or misrepresentation of any financial statements and reports, unethical behavior, etc. The policy provides adequate safeguards to employees reporting such violations to the Company. No employee has been denied access to the Audit Committee.

d) The company is fully complied with the applicable mandatory requirements of Clause 49 of the listing agreements entered with Stock Exchanges.

e) The Ministry of Corporate Affairs, Government of India had issued the Corporate Governance Voluntary Guidelines 2009 ("the Guidelines"). The objective of these Guidelines is to encourage companies to voluntarily adopt best practices in Corporate Governance. The Guidelines focuses on matters relating to functions of the Board, Audit Committee, Auditors' role and Secretarial Compliance. The Corporate Governance framework of the Company already encompasses a significant portion of the recommendations contained in the Guidelines.

8) CEO / CFO Certification

As required by clause 49 of the Listing Agreement, the certificate obtained from Mr. B Robert Raja, Chairman & Managing Director and Mr. B Antony Raja, Whole-time Director was placed before the Board of Directors at their meeting held on 10th August 2011.

9) Means of communication

a) The Quarterly reports in the prescribed format are published in the News papers ('News Today' – English and 'Malai Sudar' – Tamil) as required by the Listing Agreements entered with the Stock Exchanges.

b) Company's quarterly financial results and press releases are posted on the company's website www.odysseytec.com

c) The detailed Management Discussion and Analysis Report forms part of the annual report for the year.

d) The company has also posted information relating to its financial results and distribution of share holding on a quarterly basis for the Financial Year 2010-11 on Corporate Filing & Dissemination System on website <http://corpfilings.co.in>.

e) The details of directors are also updated on Directors Database <http://www.directorsdatabse.com> a Corporate Governance initiative of the Bombay Stock Exchange Limited.

10) General shareholder information

a) Annual General Meeting

Number : Twenty first AGM
Date and time : 28th September, 2011 at 3.00 p.m.
Venue : Siddhartha Hall, Hotel Goutham Manor, No.74, Mahatma Gandhi Road, Chennai -600034

Financial Calendar for the year ending 31st March 2012

Tentative Calendar:
First quarter results - Last week of July 2011
Second quarter results - Last week of October 2011
Third quarter results - Last week of January 2012
Fourth quarter results - Last week of April 2012

b) Date of book closure

September 26, 2011 to September 28, 2011, both days inclusive

c) Dividend payment date

The company has not proposed to pay any dividend for the year under review.

d) Listing on stock exchanges

Equity shares of the company are listed in Bombay and Madras stock exchanges.
(listing fee for FY 2011-12 has been paid to both the exchanges)

e) Stock code

BSE Scrip name - ODYSSEYTEC
Scrip code - 530175

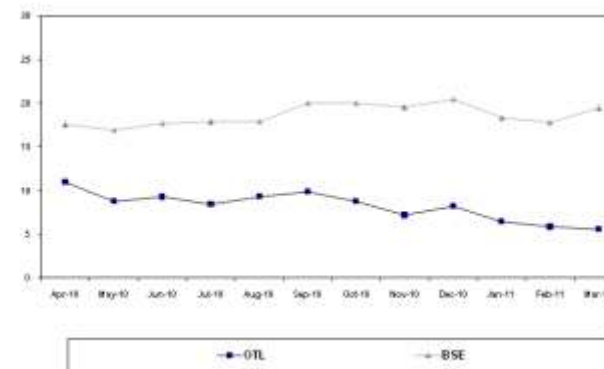
MSE Scrip name - ODYSSEYTEC
Demat ISIN INE213B01019

f) Market price data (BSE par value of share: Rs. 10)

Month	Month's High Price (Rs.)	Month's Low Price (Rs.)
April 10	11.67	8.68
May 10	11.45	8.02
June 10	9.95	7.72
July 10	10.50	8.43
August 10	12.89	8.50
September 10	11.89	9.01
October 10	9.90	8.12
November 10	9.60	6.95
December 10	8.58	6.23
January 11	8.55	6.05
February 11	6.98	4.70
March 11	6.66	5.03

g) Relative movement chart

The chart below gives the relative movement of the closing price of the Company's share and relative to the closing price of the BSE Sensex. The period covered is April 01, 2010 to March 31, 2011.



h) Share transfer registrars

M/s Cameo Corporate Services Limited
"Subramanian Building"
1, Club House Road
Chennai 600 002
Phone: 91 44 2846 0390
Fax: 91 44 2846 0129
Email: cameosys@satyam.net.in

Any correspondence regarding share transfers, share certificates, change of address etc. can be sent to Registrar and Share Transfer Agents.

i) Share transfer system

At present, transfers of shares received in physical form are processed and the share certificates are returned within a period of 20 to 25 days from the date of receipt, subject to the documents being valid and complete in all respects.

j) Distribution of shareholding as on March 31, 2011

No. of shares	No. of holders	Percentage	No. of shares held	Percentage
Up to 500	3246	70.75	639560	7.21
501-1000	572	12.47	503585	5.68
1001-2500	358	7.80	617480	6.97
2501-5000	196	4.27	744061	8.39
5001-10000	97	2.11	718098	8.10
10001-20000	57	1.24	837327	9.45
20001-30000	19	0.41	467655	5.28
30001-40000	10	0.22	345506	3.90
40001-50000	6	0.13	272346	3.07
50001-100000	19	0.41	1388822	15.67
100001 & above	8	0.17	2330435	26.29
Total	4588	100%	8864875	100.00%

k) Shareholding per category as on March 31, 2011

Category	Physical shares	Demat shares	Total shares	Percent
Shareholding of Promoter & Promoter Group				
Individuals / Hindu Undivided Family	15600	1511902	1527502	17.23
Bodies Corporate	0	305150	305150	3.44
Promoter group	15600	1817052	1832652	20.67
Public Shareholding				
Foreign investors	0	29390	29390	0.33
Corporate Bodies	2900	961120	964020	10.87
Individuals	160480	5878333	6038813	68.12
Other than Promoters	163380	6868843	7032223	79.33
Total	178980	8685895	8864875	100.00

l) Dematerialization of shares and liquidity

Nearly 98% of the paid up equity share capital of the company has been dematerialized up to March 31, 2011. Trading in equity shares of the company is permitted only in dematerialized form, as per notification issued by SEBI.

m) Declaration as required under Clause 49 (I)(D)(ii) of the Stock Exchange Listing Agreement

All Directors and Senior Management Personnel of the Company have affirmed compliance with Odyssey's Code of Business Conduct and Ethics for the financial year ended March 31, 2011.

n) Office location

Registered office
Arjay Apex Centre, II Floor, No. 51,
College Road, Chennai 600 006

o) Address for correspondence i) Investor correspondence

For transfer/dematerialization of shares, change of address and any other query in relation to the shares of the company, for the shares held in physical form (concerned DP can be approached for shares held in demat form):

M/s Cameo Corporate Services Limited
"Subramanian building"
1, Club House Road, Chennai - 600 002
Phone: 91 44 2846 0390
Email: cameosys@satyam.net.in

ii) For any query on annual report

Secretarial Department
Odyssey Technologies Limited
Arjay Apex Centre, II Floor
No. 51, College Road, Chennai-600 006
Phone: 91 44 28233495
Fax: 91 44 28271559
Email: investors@odysseytec.com



AUDITORS' REPORT ON CORPORATE GOVERNANCE

To
The Members
Odyssey Technologies Limited

We have examined the compliance of conditions of Corporate Governance by Odyssey Technologies Limited for the year ended on 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2011, no investor grievances are pending against the Company as per the records maintained by the Shareholders / Investor's Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M/s. B.B. Naidu & Co.
Chartered Accountants
Regn.No: 002291S

(A. Sekar)
Partner
M.No : 18784

Chennai
10th August 2011



AUDITORS' REPORT

To
The Members
Odyssey Technologies Limited

1. We have audited the attached Balance Sheet of **Odyssey Technologies Limited** as at 31st March 2011, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies, (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (iii) The Balance sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2011;
 - b) in the case of the Profit and Loss account, of the Profit for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date;

For M/s. B.B. Naidu & Co.
Chartered Accountants
Regn.No: 002291S

(A.Sekar)
Partner
M.No: 18784

Chennai
10th August 2011



ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in paragraph 3 of our report of even date:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the Company has not disposed off a substantial part of the fixed assets of the Company.
2. (a) The Company has taken loans from Companies, firms or parties listed in the register maintained under Section 301 of the Companies Act, 1956 during the year and they have been repaid in full during the year. The terms and conditions of such loans were not *prima facie* prejudicial to the interest of the Company.
- (b) The Company has not granted any advances to parties listed in the register maintained under Section 301 of the Companies Act, 1956.
3. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to fixed assets and with regard to the services rendered. During the course of our audit, no major weakness has been noticed in the internal controls.
4. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
5. During the year the company has not accepted deposits from the public.
6. In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
7. The Central Government has not prescribed the maintenance of cost records for the company under Section 209(1)(d) of the Companies Act, 1956.
8. (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service Tax, Customs Duty, Excise-Duty, Cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty and Excise Duty were outstanding, as at 31st March 2011 for a period of more than six months from the date they became payable.
9. The accumulated losses of the Company are more than fifty percent of its net worth. The Company has not incurred any cash losses during the financial year covered by our audit and has not incurred cash losses in the immediately preceding financial year.
10. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, banks or debenture holders.
11. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
12. In our opinion, the provisions of Clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable as the Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society.
13. Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained for the dealing or trading in shares, securities, debentures and other investments. We also report that the Company has held the shares, securities, debentures and other securities in its own name.

14. The Company has not given any guarantee for loans taken by others from bank or financial institutions.
15. During the year the Company has not obtained any term loan.
16. According to the Cash Flow Statement and other records examined by us and the information and explanations given to us on an overall basis, funds raised on short-term basis, *prima facie*, have not been used during the year for long-term investment, other than temporary deployment pending application.
17. The Company has not made preferential allotment of shares to parties covered in the register maintained under Section 301 of the Act.
18. During the period covered by our audit report, the Company has not issued any debentures.
19. The Company has not raised any money by way of public issues during the year.
20. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.
21. In our opinion and according to the information given to us, the provisions of Clause 4(ii) of the said Order are not applicable to the company.

For M/s. B.B. Naidu & Co.
Chartered Accountants
Regn.No: 002291S

Chennai
10th August 2011

(A. Sekar)
Partner
M.No : 18784



BALANCE SHEET AS AT MARCH 31, 2011

	Schedule No	As at Mar 31, 11	Amount in Rs. As at Mar 31, 10
I SOURCES OF FUNDS			
(1) Shareholders' funds			
(a) Share capital	1	88,648,750	88,648,750
(b) Reserves and surplus	2	60,059,991	60,059,991
		148,708,741	148,708,741
(2) Loan funds			
(a) Secured loans	3	1,718,114	-
(b) Unsecured loans	4	219,347	3,776,369
		1,937,461	3,776,369
Total		150,646,202	152,485,110
II APPLICATION OF FUNDS			
(1) Fixed assets			
(a) Gross block	14	35,836,153	30,672,510
(b) <u>Less:</u> Depreciation		(31,107,605)	(26,439,888)
		4,728,548	4,232,622
(2) Deferred tax Asset	5	134,073	94,793
(3) Investments	6	-	12,522,002
(4) Current assets, loans and advances			
(a) Sundry debtors	7	10,882,300	11,450,900
(b) Cash and bank balances	8	13,332,592	3,195,623
(c) Other current assets	9	5,741,349	3,257,298
(d) Loans and advances	10	5,172,856	3,312,518
		35,129,097	21,216,339
<i>Less: Current liabilities and provisions</i>			
(a) Current liabilities	11	7,196,836	9,466,840
(b) Provisions	12	3,095,777	9,751,488
		10,292,613	19,218,328
Net current assets		24,836,484	1,998,011
(5) Others			
(a) Miscellaneous expenditure	13	476,576	-
(b) Profit and loss account		120,470,521	133,637,682
		120,947,097	133,637,682
Total		150,646,202	152,485,110
Notes on accounts	22		

As per our report of even date

For and on behalf of the Board of Directors

for B B Naidu & Co
Chartered Accountants
Regn No: 002291S

B Robert Raja
Chairman & Managing Director

B Antony Raja
Whole-time Director

A Sekar
Partner
M.No : 18784

S Ramya
Company Secretary

Place: Chennai
Date: 10th August 2011

Odyssey Technologies Limited



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Schedule No	As at Mar 31, 11	Amount in Rs. As at Mar 31, 10
I INCOME			
(1) Income from operations	15	53,150,780	32,426,908
(2) Other income	16	939,118	172,742
Total		54,089,898	32,599,650
II EXPENDITURE			
(1) Operating cost	17	21,993,066	14,447,614
(2) Compensation and benefits	18	5,768,671	4,929,508
(3) Administrative expenses	19	9,037,848	8,176,745
(4) Selling and distribution expenses	20	907,425	1,291,981
(5) Interest and finance charges		131,985	216,062
(6) Depreciation, Amortisation & Non cash expenses	21	1,253,790	1,249,641
Total		39,092,785	30,311,551
III PROFIT BEFORE TAX		14,997,113	2,288,099
(7) Tax expenses			
(a) Current tax		-	-
(b) Deferred tax (asset)		(18,023)	(94,020)
		(18,023)	(94,020)
IV PROFIT AFTER TAX		15,015,136	2,382,119
(8) Balance brought forward from last year	(133,637,682)	(136,019,801)	
(9) Loss brought forward from Taexpert.com Ltd as a result of amalgamation	(1,847,975)	-	
V BALANCE CARRIED TO BALANCE SHEET		(120,470,521)	(133,637,682)
Earnings per share of Rs. 10 each - Basic		1.69	0.27
- Diluted		1.69	0.27
Notes on accounts	22		

As per our report of even date

For and on behalf of the Board of Directors

for B B Naidu & Co
Chartered Accountants
Regn No: 002291S

B Robert Raja
Chairman & Managing Director

B Antony Raja
Whole-time Director

A Sekar
Partner
M.No : 18784

S Ramya
Company Secretary

Place: Chennai
Date: 10th August 2011

Odyssey Technologies Limited



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

Amount in Rs.

	As at Mar 31, 11	As at Mar 31, 10
SCHEDULE 1		
Share capital		
(a) Authorised capital 1,50,00,000 equity shares of Rs. 10/-each	150,000,000	100,000,000
(b) Issued, subscribed and paid up capital 88,64,875 equity shares of Rs. 10/- each	88,648,750	88,648,750
SCHEDULE 2		
Reserves and surplus		
(a) Securities premium	57,178,091	57,178,091
(b) Capital reserves	2,881,900	2,881,900
Total	60,059,991	60,059,991
SCHEDULE 3		
Secured loans		
Tamilnad Mercantile Bank - OD Account	1,718,114	-
Total	1,718,114	-
SCHEDULE 4		
Unsecured loans		
1) Car loans from Banks	219,347	605,864
2) ICD from Taexpert.com Limited (WOS)	-	3,170,505
Total	219,347	3,776,369
SCHEDULE 5		
Deferred Tax Asset		
Opening Balance	94,793	773
Add: Provision for deferred tax asset during the year	18,023	94,020
Add: Deferred tax asset brought forward from Taexpert.com Ltd as a result of amalgamation	21,257	-
Total	134,073	94,793
SCHEDULE 6		
Investments		
A. Long term investments		
(a) Trade investments - unquoted		
Fully paid equity shares of companies:		
(1) NIL equity shares of Rs.10 each in DSQ Software Ltd - Market value Rs. NIL (PY 100 shares)	-	9,100



	As at Mar 31, 11	As at Mar 31, 10
(2) NIL equity shares of Rs.10 each in Alagendran Finance Ltd - Market value Rs. NIL (PY 1000 shares)	-	10,427
	-	19,527
(b) Trade investments- unquoted		
Fully paid equity shares of subsidiary companies:		
(1) NIL equity shares of S\$ 1 each in Odyssey Secure Commerce Pte Ltd, Singapore (PY- 250,000 shares)	-	6,602,455
(2) NIL equity shares of Rs. 10 each in Taexpert.com Ltd., Chennai (PY- 590,002 shares)	-	5,900,020
	-	12,502,475
Total	-	12,522,002
SCHEDULE 7		
Sundry debtors		
Debts considered good and unsecured		
(i) Debts due from customers		
a) Debts outstanding for a period exceeding six months	4,330,897	2,703,825
b) Other debts	6,551,403	8,747,075
Total	10,882,300	11,450,900
SCHEDULE 8		
Cash and bank balances		
(a) Cash balance in hand	268,058	75,379
(b) Bank balance with Scheduled banks		
i) In Current Accounts	746,534	1,142,243
ii) In Fixed Deposit Accounts	12,318,000	1,978,000
Total	13,332,592	3,195,622
SCHEDULE 9		
Other current assets		
(a) TDS on receipts	5,633,984	3,180,102
(b) VAT Purchase Credit A/c	20,099	11,102
(c) Interest accrued on Fixed Deposits	87,266	66,094
Total	5,741,349	3,257,298



Annual Report 2010 -2011

	Amount in Rs.	
	As at Mar 31, 11	As at Mar 31, 10
SCHEDULE 10		
Loans and advances		
<i>Unsecured</i>		
(a) Loan to subsidiary Company (OS CPL)	-	54,310
(b) Loans to employees	24,000	1,000
(c) Advances recoverable in cash or kind or for value to be received		
i Prepaid expenses	594,100	471,144
ii Advance for expenses	-	-
(d) Deposits	2,554,756	2,786,064
(e) ICD to Infinitrust Pvt Ltd	2,000,000	-
Total	5,172,856	3,312,518
SCHEDULE 11		
Current liabilities		
(a) Sundry creditors		
i For purchases	37,128	221,492
ii For expenses	6,495,599	8,124,452
(b) Other liabilities		
i Statutory obligations	563,505	929,095
ii Legal obligations	100,604	1,120,896
Total	7,196,836	9,466,840
SCHEDULE 12		
Provisions		
(a) Provision for gratuity	3,095,777	3,129,506
(b) Provision for diminution in the value of investments	-	6,621,982
Total	3,095,777	9,751,488
SCHEDULE 13		
Deferred ESOP compensation expenses		
Balance as per last balance sheet	-	58,083
Less Adjustments for options, not vested	-	-
Less Written-off during the year	-	(58,083)
	-	-
Preliminary Expense not Written off		
Preliminary Expenses during the year	476,576	-
Total Miscellaneous Expenditure	476,576	-



Annual Report 2010 -2011

For the Year Ended 31st March 2011

Amount in Rs.

Statement of depreciation on fixed assets

S.No	Description	Rate WDV	Gross Block				Depreciation				Net Block		
			Cost as on 01-Apr-10	Addition on account of Merger	Deletions for year	Cost as on 31-Mar-11	Upto 31-Mar-10	Accrued till 31-Mar-10 on the Merged assets	For the Year	Adjust	Upto 31-Mar-11	WDV as on 31-Mar - 10	WDV as on 31-Mar - 11
1	Computers - General	40.00%	13,248,107	552,906	1,246,918	12,641,350	548,439	50,095	1,239,897	12,545,021	61,723	96,329	61,723
2	Machinery - General	13.91%	3,730,869	91,469	-	3,836,838	67,211	109,952	-	3,141,838	766,194	695,000	766,194
3	Computers - R & D	40.00%	3,786,596	-	-	4,515,028	-	544,772	-	3,387,960	943,408	1,127,068	943,408
4	Machinery - R & D	13.91%	129,521	-	-	129,521	-	7,682	-	81,977	55,226	47,544	55,226
5	Office Equipment	13.91%	1,013,416	-	-	1,013,416	-	32,710	-	810,971	235,155	202,445	235,155
6	Furniture & Fixtures	18.10%	6,671,086	-	64,000	6,607,086	-	234,756	55,440	5,553,407	1,296,995	1,053,679	1,296,995
7	Vehicles	25.89%	2,092,914	-	-	2,092,914	-	226,258	-	1,445,250	873,922	647,664	873,922
8	Software/IPR	13.91%	-	5,000,000	-	5,000,000	4,002,417	138,764	-	4,141,181	-	858,819	-
	Total		30,672,509	5,644,375	1,310,918	35,836,153	4,618,067	1,344,989	1,295,337	31,107,605	4,232,623	4,728,548	4,232,623



**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDED MARCH 31, 2011**

	<i>Amount in Rs.</i>	
	As at Mar 31, 11	As at Mar 31, 10
SCHEDULE 15		
Income from operations		
(a) Gross Income from licensed software products	20,831,271	21,379,216
Less: Central Excise Duty	529,882	547,416
Net Income from licensed software products	<u>20,301,389</u>	<u>20,831,800</u>
(b) Income from sale of Copyright	15,000,000	-
(c) Income from services	17,815,328	10,417,629
(d) Export Income	34,063	1,177,479
Total	<u>53,150,780</u>	<u>32,426,908</u>
SCHEDULE 16		
Other income		
(a) Interest income		
i) Interest on income tax refund	77,191	19,945
ii) Interest receipts from Fixed Deposits	861,463	152,797
(b) Miscellaneous receipts	464	-
Total	<u>939,118</u>	<u>172,742</u>
SCHEDULE 17		
Operating cost		
(a) Developers' compensation	18,834,060	13,664,380
(b) Internet connectivity charges	160,000	112,000
(c) Purchase of hardware/software for sale	264,911	-
(d) Web hosting & Maintenance	52,164	76,258
(e) Keys & Consumables	61,665	11,495
(f) Travel and Conveyance	12,491	7,387
(g) Development Tools - Hardware/Software	197,515	117,154
(h) Software Purchased / Outsourced	10,260	458,940
(i) Software development charges	2,400,000	-
Total	<u>21,993,066</u>	<u>14,447,614</u>
SCHEDULE 18		
Compensation and benefits		
(a) Salary - General	583,241	501,841
(b) Salary - Corporate	1,066,844	765,741
(c) Bonus & Leave Travel Allowance	72,024	34,054
(d) Medical reimbursement	51,011	31,936
(e) Contribution to provident fund	127,728	114,672
(f) Contribution to ESI	16,731	13,814
(g) Contribution to labour welfare fund	1,092	784
(h) Directors' remuneration	3,850,000	3,466,666
Total	<u>5,768,671</u>	<u>4,929,508</u>



	<i>Amount in Rs.</i>	
	As at Mar 31, 11	As at Mar 31, 10
SCHEDULE 19		
Administrative expenses		
(a) Rent & Amenities	3,382,294	3,090,308
(b) Power & Fuel	607,669	504,550
(c) Repairs & Maintenance	754,751	651,707
(d) Local conveyance, Transportation & Freight	25,365	6,961
(e) Legal & Professional fee	235,710	119,131
(f) Communication expenses	351,755	230,530
(g) Staff welfare	597,378	401,872
(h) Printing & Stationery	136,530	161,419
(i) Secretarial expenses	175,602	142,870
(j) Security & Safety	180,000	151,393
(k) Audit fees	75,000	75,000
(l) Insurance charges	39,193	37,962
(m) Books & Periodicals	88,813	40,869
(n) Rates & Taxes	7,285	752,692
(o) Filing Fees	23,948	5,446
(p) Subscription & Membership	12,184	3,184
(q) Photocopying charges	29,492	19,697
(r) Admin - others	3,412	6,527
(s) Browsing charges	43,472	31,422
(t) Brokerage & Commission	300	-
(u) Tender Expenses	(5,000)	5,000
(v) Recruitment Expenses	5,250	10,250
(w) Consultancy Fees	900,000	1,439,000
(x) Bank charges	61,767	257,315
(y) Donation	-	2,000
(z) Bad debts	1,285,799	-
(aa) Profession Tax	4,298	7,830
(ab) Loss on scrapped assets	15,581	-
(ac) Loss on sale of assets	-	21,810
Total	<u>9,037,848</u>	<u>8,176,745</u>
SCHEDULE 20		
Selling and distribution expenses		
(a) Travel inland - Directors	172,786	281,907
(b) Travel inland - Others	486,295	524,246
(c) Travel Foreign - Others	223,017	-
(d) Travel Foreign - Directors	-	457,718
(e) Packing Materials	5,327	-
(f) Launching & Exhibition	20,000	28,110
Total	<u>907,425</u>	<u>1,291,981</u>



SCHEDULE 21	Amount in Rs.			
	As at Mar 31, 11		As at Mar 31, 10	
Depreciation, Amortisation & Non-cash expenses				
(a) Depreciation on assets	1,344,989		1,292,487	
(b) ESOP compensation expenses written off	-	58,083		
Less: Adjustment for option discount on options not vested	(91,199)	(91,199)	(100,929)	(42,846)
Total	1,253,790		1,249,641	

NOTES ON ACCOUNTS

SCHEDULE 22

I. Significant Accounting Policies

A. Basis of accounting and preparation of financial statements

The accounts and financial statements have been prepared under historical cost convention in accordance with the Generally Accepted Accounting Principles and Practices in India and the provisions of the Indian Companies Act, 1956. Accrual system of accounting is generally followed to record income and expenditure.

B. Depreciation

Depreciation on fixed assets is provided on written down value method at the rates and in the manner as prescribed in Schedule XIV of the Companies Act, 1956.

C. Research and Development

Research and Development expenses of revenue in nature are charged to profit and loss account. Expenses of capital in nature are carried to Fixed Assets on which Depreciation at the applicable rates are charged.

D. Revenue Recognition

Revenue is recognized in the books on the basis as stipulated under Accounting Standard 9 issued by the Institute of Chartered Accountants of India.

E. Fixed Assets

Fixed Assets are stated at their cost inclusive of the expenditure incurred on acquisition, installation and upgradation. Sale and scrap of fixed assets is adjusted for the net written down value on the date of sale. Balance is taken to profit/loss on sale and scrap of assets.

F. Foreign Currency Transactions

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction. Income or expenditure arising out of exchange fluctuation is recognized in the profit and loss account.

G. Investments

The company has no investments as on the balance sheet date.

H. Amalgamation (AS 14)

(i) Disclosure of Amalgamation

(a) Name and general nature of business of the amalgamating company	Taexpert.com Limited, Software Development
(b) Effective date of amalgamation for accounting purpose	01-04-2010
(c) The method of accounting used to reflect the Amalgamation	The Pooling of interests method
(d) Particulars of the scheme sanctioned under a statute :- The shares of the Transferor Company held by the Transferee Company directly and/or through its nominee(s), constituting the entire paid up share capital of the Transferor Company will stand cancelled. No shares or consideration shall be issued / paid by the Transferee Company pursuant to the amalgamation of the Transferor Company, which is a wholly-owned subsidiary of the Transferee Company.	

(ii) Additional Disclosure for The pooling of interests method

(a) Description and number of shares issued, together with the percentage of each company's equity shares exchanged to effect the amalgamation;	NIL
(b) Amount of any difference between the consideration and the value of net identifiable assets acquired, and the treatment thereof.	NIL

I. Retirement Benefits

Retirement benefits are provided by charge to revenue including provision for gratuity determined as per the Gratuity Act, 1972.

J. Related party transactions

Disclosure has been made separately for all the transactions with related parties as specified under Accounting Standard 18 issued by the Institute of Chartered Accountants of India.

K. Earnings Per Share

Basic Earnings Per Share is calculated based on the weighted average number of shares outstanding during the year per AS 20 of the ICAI.

L. Deferred taxation

Provision for current tax is made as 'Nil' in view of the accumulated loss from previous years. Deferred tax resulting from 'timing difference' that are temporary in nature, being the difference between the depreciation as per the Companies Act and Income tax Act, has been made. As the depreciation under the Companies Act is more than the one under Income tax Act, deferred tax asset has been made in the balance sheet.

M. ESOP accounting

Accounting for the existing ESOP outstanding has been made in line with the SEBI regulations where the options lapsed and not vested were adjusted against ESOP outstanding.

II Notes

1. Previous figures have been reworked, regrouped and reclassified wherever necessary.

2. Break-up of audit fees:

	Amount in Rs.	
	FY 2010-11	FY 2009-10
Fees for statutory and Tax audit	50,000	50,000
For certification and consultation in Tax and Other matters	25,000	25,000
Towards Service Tax	7,725	7,725
Total	82,725	82,725

3. Break-up of remuneration paid to Directors

	Amount in Rs.	
	FY 2010-11	FY 2009-10
To Managing Director	24,00,000	23,00,000
To whole-time Director	14,50,000	11,66,666
Total	38,50,000	34,66,666

4. Earnings Per Share (AS 20):

	Amount in Rs.	
	FY 2010-11	FY 2009-10
Net profit available for equity shareholders	1,50,15,136	23,82,119
Weighted average no. of equity shares		
i) For Basic EPS	88,64,875	88,64,875
ii) For Diluted EPS	88,64,875	88,64,875

5. Related Party Disclosure (AS 18):

(i) List of related parties with whom transactions have taken place and relationship;
Key Management Personnel

Mr. B Robert Raja
Mr. B Antony Raja

(ii) Transactions with Key Management Personnel

Loan from Directors	Amount in Rs.
Opening balance	-
Received during the year	11,75,061
Paid during the year	11,75,061
Balance at the end of the year	-
Interest on Loan	
Paid during the year	13,094

6. Expenditure in foreign currency:

	Amount in Rs.	
	FY 2010-11	FY 2009-10
Travel abroad	1,35,057	2,46,348
Web maintenance	52,164	76,258
Total	1,87,221	3,22,606

7. ESOP

Under ESOP 2004 issue, out of 2,10,000 options granted to the employees, 13,500 options that was remaining vested stands lapsed as on March 31, 2011 and hence written off as ESOP Compensation expenses.

Out of 3,31,300 options granted in ESOP 2006 to the employees, 50,812 options were vested but 16,938 stands lapsed since not exercised as on March 31, 2011 and hence written off as ESOP Compensation expenses. Further, 4,087 options were written off as ESOP Compensation expenses due to resignation in the year under review.

8. Investments in subsidiary company

The company's investment in Odyssey Secure Commerce Pte Limited, Singapore has been written off in full by adjusting the provision for diminution in value of investments already made in earlier years, in view of the liquidation of the company and the erosion of the entire net worth.

9. Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence, disclosures if any, relating to amount unpaid as at the year end as required under that Act have not been furnished. However, no interest has been paid/payable on such outstanding if any, during the year.

10. The Company has given Counter Guarantee to Tamilnad Mercantile Bank in respect of the following Guarantee issued by the Bank:-

S.No	Guarantee given to	Guarantee Amount	Security Amount
1	Indian Overseas Bank	1,21,96,000/-	1,21,98,000/-
2	The Regional Director, Directorate of purchase and stores, Department of Atomic Energy	1,19,869/-	1,20,000/-



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**I Registration details**

Registration no: 1 8 - 1 9 0 0 7

State code: 1 8

Balance sheet date: 3 1 - 0 3 - 1 1

II Capital raised/redeemed during the year (Rs. lakhs)

Public issue: N I L

Rights issue: N I L

Bonus issue: N I L

Private Placement: N I L

Conversion of warrants: N I L

Exercise of options: N I L

III Position of mobilisation and deployment of funds (Rs. lakhs)

Total Liabilities: 1 5 0 6 . 4 6

Total Assets: 1 5 0 6 . 4 6

Sources of Funds Paid-up Capital: 8 8 6 . 4 9

Reserves & surplus: 6 0 0 . 6 0

Secured Loans: 1 7 . 1 8

Unsecured Loans: 2 . 1 9

Application of Funds Net fixed assets: 4 7 . 2 9

Investments: N I L

Net Current assets: 2 4 8 . 3 6

Miscellaneous Expenditure: 4 . 7 7

Accumulated Losses: 1 2 0 4 . 7 0

Deferred Tax Assets: 1 . 3 4

IV Performance of company (Rs. Lakhs)

Turnover: 5 4 0 . 9 0

Total Expenditure: 3 9 0 . 9 3

Profit Before Tax: 1 4 9 . 9 7

Profit after Tax: 1 5 0 . 1 5

Earnings per share in Rs. 1 . 6 9

Dividend per share in Rs. N I L

V Generic name of the product of the company (per monetary terms)

Item code no.(ITC code): 8 5 2 4

Product description: S o f t w a r e

As per our report of even date

For and on behalf of the Board of Directors

for B B Naidu & Co
Chartered Accountants
Regn No: 002291SB Robert Raja
Chairman & Managing DirectorB Antony Raja
Whole-time DirectorA Sekar
Partner
M.No : 18784S Ramya
Company SecretaryPlace: Chennai,
Date: 10th August 2011

Odyssey Technologies Limited

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011**

Amount in Rs.

	As at Mar 31, 11	As at Mar 31, 10
A Cash flow from operating activities		
Net Profit before tax, per profit and loss account	14,997,113	2,288,099
<i>P&L adjustments:</i>		
Depreciation & Amortisation	1,253,790	1,249,641
Interest & Finance charges	131,985	216,062
Other income	(939,118)	(172,742)
Provision, Loss on sale of investment ,non cash items	15,581	122,739
Bad Debts	1,285,799	-
Operating profit before changes in working capital	16,745,150	3,703,799
<i>Balance sheet adjustments:</i>		
Trade and other receivables	(1,836,694)	(6,501,954)
Trade and other payables	(2,432,949)	2,693,772
Miscellaneous Expenditure	(476,576)	-
Net Cash provided by operating activities	11,998,931	(104,383)
B Cash flow from investing activities		
Purchase of fixed assets	(830,187)	(444,826)
Purchase of investments	-	-
Sale of fixed assets	-	5,000
Sale of investments	-	-
Dividend received	-	-
Interest received	939,118	172,742
Net cash (used) in investing activities	108,931	(267,084)
C Cash flow from financing activities		
Proceeds from increase in share capital	-	-
Repayment of Borrowings	(1,838,908)	291,180
Interest paid	(131,985)	(216,062)
Net cash (used) in financing activities	(1,970,893)	75,118
D Net increase in cash and cash equivalents	10,136,969	(296,347)
Cash and cash equivalents at the beginning of the year	3,195,623	3,491,970
Cash and cash equivalents at the end of the year (Refer Schedule 8)	13,332,592	3,195,623

As per our report of even date

For and on behalf of the Board of Directors

for B B Naidu & Co
Chartered Accountants
Regn No: 002291SB Robert Raja
Chairman & Managing DirectorB Antony Raja
Whole-time DirectorA Sekar
Partner
M.No : 18784S Ramya
Company SecretaryPlace: Chennai,
Date: 10th August 2011

Odyssey Technologies Limited



NOTES



Odyssey Technologies Limited

Registered Office : Arjay Apex Centre, II Floor, No. 51, College Road, Chennai - 600006

Name of the Shareholder / Proxy

Admission Slip	
Please hand over this admission slip at the entrance of the meeting hall	
Folio	Holding

21st Annual General Meeting
28th September, 2011 at 3.00 p.m.
Siddhartha Hall
Hotel Goutham Manor,
No.74, Mahatma Gandhi Road,
Chennai -600034

<input type="checkbox"/> Member	<input type="checkbox"/> Proxy

I hereby register my presence at the meeting

Signature of the member / proxy :



Odyssey Technologies Limited

Registered Office : Arjay Apex Centre, II Floor, No. 51, College Road, Chennai - 600006

I / We

.....

of.....

Folio	Holding
-------	---------

in the district of being a member / members of

ODYSSEY TECHNOLOGIES LIMITED hereby appoint

of..... in the district of or

failing him..... of..... in the

district of as my / our proxy to vote for me / is and on my / our behalf at the 21st Annual General Meeting of the company to be held on Wednesday, the 28th September, 2011 and at any adjournment thereof

Signed this day of 2011

Proxy form must reach company's registered office not later than 48 hours before the commencement of the meeting.

For office use only	
Proxy No.	Date of receipt

Re. 1/- Revenue Stamp

Signature