

BOOK POST



To

Odyssey Technologies Ltd

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

**Annual Report
2012-2013**

Board of Directors

Mr.B.Robert Raja
Chairman & Managing Director

Mr.B.Antony Raja
Whole-time Director

Mr.G.Rajasekaran

Mr.U.Rathish Babu

Mr.Kurilla Srinivas Rao

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>

Auditors

M/s. B B Naidu & Co.
MC-PARKWAY
122(New #36),Marshalls Road,
Egmore,Chennai- 600 008

Bankers

HDFC Bank
Tamilnad Mercantile Bank
Oriental Bank of Commerce
Axis Bank

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	8
Management Discussion and Analysis	11
Corporate Governance Report and shareholder information	12
Auditors' report	19
Balance sheet	22
Statement of Profit and loss	23
Notes forming part of Balance Sheet and Statement of Profit & Loss	24
Cash flow statement	32
Attendance Slip and Proxy form	35



Notice

NOTICE is hereby given that the Twenty Third Annual General Meeting of the shareholders of Odyssey Technologies Limited will be held on Thursday, September 12, 2013 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 statements of accounts of the company for the year ended March 31, 2013 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 M/s 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. Kurilla Srinivas Rao a director who was appointed as an additional director at the meeting of the Board of Directors held on 24th April 2013 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.”

5. To consider and if thought fit to pass with or without modification the following Resolution as a Special Resolution.

“RESOLVED THAT in accordance with the provisions of sections 198, 269 and 309 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the reappointment of Mr. B Robert Raja, Managing Director for a further period of three years with effect from 31-05-2013 on non-rotational basis, upon the terms and conditions including remuneration as set out in the explanatory statement hereto annexed, be and is hereby approved, confirmed and ratified.”

“RESOLVED FURTHER THAT the authority be and is hereby granted to the Board of Directors to alter and vary the terms and conditions of the said appointment and / or agreement (including authority, from time to time, to determine the amount of salary and commission as also the type and amount of perquisites and other benefits payable to Mr. B Robert Raja), in such manner as may be agreed to between the Board of Directors and Mr. B Robert Raja, provided however that the remuneration payable to him shall not exceed the limits prescribed under Schedule XIII to the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof.”

“RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of profits in any financial year, during the term of office of Mr. B Robert Raja, the remuneration payable to him by way of salary, allowances and perquisites shall not without the approval of Central Government (if required) exceed the limits prescribed under the Companies Act, 1956, or any amendment, modification, variation or re-enactment thereof.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its power herein conferred to any committee of directors or director(s) to give effect to the aforesaid resolutions.”

6. To consider and if thought fit to pass with or without modification the following Resolution as a Special Resolution.

“RESOLVED THAT in accordance with the provisions of sections 198, 269 and 309 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the reappointment of Mr. B Antony Raja, Whole-time Director for a further period of three years with effect from 31-05-2013 on non-rotational basis, upon the terms and conditions including remuneration as set out in the explanatory statement hereto annexed, be and is hereby approved, confirmed and ratified.”

“RESOLVED FURTHER THAT the authority be and is hereby granted to the Board of Directors to alter and vary the terms and conditions of the said appointment and / or agreement (including authority, from time to time, to determine the amount of salary and commission as also the type and amount of perquisites and other benefits payable to Mr. B Antony Raja), in such manner as may be agreed to between the Board of Directors and Mr. B Antony Raja, provided however that the remuneration payable to him shall not exceed the limits prescribed under Schedule XIII to the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof.”

“RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of profits in any financial year, during the term of office of Mr. B Antony Raja, the remuneration payable to him by way of salary, allowances and perquisites shall not without the approval of Central Government (if required) exceed the limits prescribed under the Companies Act, 1956, or any amendment, modification, variation or re-enactment thereof.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its power herein conferred to any committee of directors or director(s) to give effect to the aforesaid resolutions.”

By order of the Board

Place: Chennai
Date : July 16, 2013

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 are separately annexed hereto for item 2 – reappointment of Director Mr. G. Rajasekaran, item 4 – appointment of Mr. Kurilla Srinivas Rao, item 5 – reappointment of Mr. B. Robert Raja as Managing Director and item 6 – reappointment of Mr. B. Antony Raja as Whole-time Director are detailed under clause 2(d) 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 above.
3. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special resolutions seeking approval for reappointment of Managing Director and Whole-time Director and the information required under clause (iv) of proviso to paragraph (1) (B) of section II of part II of Schedule XIII of the Companies Act, 1956 are annexed hereto for item No.5 and 6 above.
4. 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.
5. Shareholders are requested to bring their copy of Annual Report to the meeting.

6. Shareholders and proxies are requested to fill the Attendance Slip for attending the meeting.
7. 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.
8. 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.
9. 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.
10. The register of members and the share transfer books of the company shall remain closed from September 10, 2013 to September 12, 2013 both days inclusive.
11. 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.
12. 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 web site of the company www.odysseytec.com
13. 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. Kurilla Srinivas Rao was appointed as additional director of the company on 24-04-2013 by the Board of Directors of the company. According to the provisions of Section 260 of the Companies Act, 1956, he holds office only up to 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. Kurilla Srinivas Rao as a director. The Board considers it desirable that the Company should avail itself of his services. Mr. Kurilla Srinivas Rao 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.



Item No: 5

At the 20th Annual General Meeting held on 29/09/2010 the shareholders accorded approval by special resolution for reappointment and payment of remuneration to Mr. B Robert Raja, the Managing Director with effect from 30th May 2010 to 30th May 2013. The above appointment (remuneration) was as per the requirement of section B of Part II of Schedule XIII.

Mr.B.Robert Raja was reappointed at the Board Meeting held on 27th May 2013 with the existing terms and conditions given below for a further period of three years on non-rotational basis with effect from 31st May 2013. Since reappointment of Managing Director made at the Board meeting requires approval at the General Meeting by way of Special resolution the same is put forth for the approval of shareholders in the ensuing Annual General Meeting.

The terms and conditions of the reappointment of the Managing Director as set out in the draft agreement are shown below:

The remuneration payable to the Managing Director is limited to a maximum of Rs. 2,00,000/- per month (Rs. 24 lakhs per annum), which is inclusive of salary, allowances, perquisites and benefits. The perquisites and benefits shall be valued as per Income Tax Rules, 1962.

In addition he shall be entitled to the following benefits:

- Contribution to Provident fund, superannuation or annuity fund to the extent these either singly or put together are not taxable.
- Gratuity at the rate of 15 days salary for each completed year of service at the end of the tenure and
- Encashment of unavailed leave at the end of the tenure.

Shareholders' approval is also being sought to empower the board to vary the terms of employment from time to time on the exigencies of business, but within the limits prescribed by the Companies Act, 1956.

Minimum Remuneration: Notwithstanding anything contained herein, in the event of inadequacy or absence of profits in any year under section 349 and 350 of the Companies Act, 1956, as amended, it is proposed to pay the said remuneration by way of minimum remuneration, where necessary with the approval of the Central Government.

The terms and conditions of the above appointment shall be within the overall limits of Section II of Part II of Schedule XIII to the Companies Act, 1956 amended from time to time. Where in any financial year the Company has no profits, the above remuneration payable to the Managing Director shall be treated as minimum remuneration payable in accordance with Section II of Part II of Schedule XIII to the Companies Act, 1956.

Wherein in any financial year the company has adequate profits, the remuneration payable to the Managing Director shall be within the prescribed limit as laid down in Section I of Part II of Schedule XIII as amended from time to time.

The Managing Director as long as he functions as such shall not be paid any sitting fees for attending the meeting of the Board of Directors or committee thereof.

The Managing Director in addition to receiving such remuneration subject to the provisions of the Companies Act, 1956 be entitled to be reimbursed by the company in respect of any out of pocket expenses incurred by him in discharge of his bonafide functions / duties on behalf of the company.

The Managing Director Mr. B. Robert Raja shall have all powers and authorities which remain vested with him under the Companies Act, 1956 and Articles of Association of the company and subject as hereinafter provided the Managing Director shall be entitled to the management and control of whole of the affairs of the company.

Information required under clause (iv) of proviso to paragraph (1) (B) of Section II of Part II of Schedule XIII of the Companies Act, 1956.

I. General information:

- Nature of industry**
The Company is engaged mainly in development of software products in the area of information security.
- Date or expected date of commencement of commercial production:**
The Company has been in business for the past about 23 years.
- In case of new companies, expected date of commencement of activities**
Not applicable, as the company is an existing company.
- Financial performance based on given indicators**

Particulars	Rs. Lakhs		
	FY2012-13*	FY2011-12	FY2010-11
Sales	567.50	436.88	531.50
Profit Before Tax	85.37	51.41	149.97
Profit After Tax	84.93	51.71	150.15
Shareholders Funds	886.48	886.48	886.48
Net Profit/(Loss) as Computed under Section 198 of the Companies Act, 1956	126.42	90.71	188.65
Rate of Dividend on Equity Shares (%)	NA	NA	NA

(5) Export performance and net foreign exchange collaborations:

Particulars	Rs. Lakhs		
	FY2012-13*	FY2011-12	FY2010-11
Foreign Exchange Earned	-	0.35	0.34
Foreign Exchange Used	1.59	3.73	1.87

* The particulars mentioned above for FY 2012-13 are subject to adoption of the audited accounts of the company for the year ended March 31, 2013 in ensuing AGM.

(6) *Foreign investments or collaborators if any:* NIL

II. Information about the appointee:

(1) Background details

A short write up about Mr B Robert Raja :

He has 17 years experience in various capacities in Government service and his designation was Deputy Commissioner of Income Tax at the time of leaving the service in 1992.

He has been actively involved in the field of Information Technology with particular reference to Information security. He has a rich research experience in the field of general computing, cryptography as well as experience in management. In Odyssey, in addition to his administrative duties, he also serves as a primary technology resource.

He has also spoken in several conferences at both national and international level on his chosen subject of Information Security.

(2) Past remuneration:

Particulars	Rs. Lakhs (per annum)		
	FY2012-13*	FY2011-12	FY2010-11
Remuneration Paid to Mr. B Robert Raja, Managing Director	24.00	24.00	24.00

(3) Recognition or awards/ Job profile and his suitability

Mr. B Robert Raja had briefly served in the Technology Committee of the Controller of Certifying Authorities of India.

He had also participated in some high-profile investigations during his employment with the Government of India that called for a great deal of Cryptography related skills.

He has built a highly skilled team of research and development personnel for the Company over the years and has been setting the direction of the Company's technology and products.

His skill sets are recognized by the Industry and are relevant for generating customer trust that leads to customer acquisition for the company's products.

He has also steered the company during its financially difficult product development phase successfully and maintained the company's focus.

(4) Remuneration proposed:

Rs.2,00,000/- per month (Rs. 24 lakhs per annum) which is inclusive of Salary, allowances, perquisites and benefits. The perquisites and benefits are valued as per Income Tax Rules, 1962. In addition he is entitled for the following benefits:

- Contribution to Provident fund, superannuation or annuity fund to the extent these either singly or put together are not taxable.
- Gratuity at the rate of 15 days salary for each completed year of service at the end of the tenure and
- Encashment of unavailed leave at the end of the tenure

(5) Comparative remuneration profile with respect to industry, size of the company profile of the position and person:

Comparable experience profiles attract a minimum remuneration of Rs.60 lakhs per annum in the Information Security Industry.

(6) Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any

Other than the remuneration stated above, Mr B Robert Raja has no other pecuniary relationship directly or indirectly with the Company. He holds 3,80,700 shares in the Company.

Mr B. Robert Raja is related to Mr B. Antony Raja who is also a Whole-time Director of the Company

III. Other information:

(1) Reasons for losses or inadequate profits:

Odyssey is engaged in software product development in the area of information security with particular reference to PKI based Digital Signature technologies. Further, the entire development was undertaken in-house so that the resultant Intellectual Properties will be entirely owned by the Company.

Building such products from the ground-up is a challenging and time consuming task and any organization that is engaged in a comparable venture has to go through this first phase of 3-5 years.

Even after the product development, gaining the acceptance of the market for such mission-critical applications is again a significant task and takes anywhere from 1 to 5 years depending on the marketing spend and other factors.

Odyssey has largely been in these two early phases and have successfully crossed them with limited capital resources. The expenditure incurred during these two phases are reflected as losses in the books of the company.

2) Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:

The products have been continuously improved and market tested over the last few years and have shown steady market acceptance. The strategy followed so far has been the correct one as evidenced by the customer acceptance and increasing revenues. The steps that are required are to maintain and grow the technology and customer focus with rigorous discipline and consistency. The company has already been witnessing reasonable profits from the financial year 2008-09 onwards and the net profit made in the



Annual Report 2012 -2013

FY 2012-13 is Rs. 84.93 lakhs as compared to the net profit of Rs. 51.71 lakhs during the FY 2011-12. The company is expected to become more profitable in the coming years.

The necessary resolution is placed before the members for consideration and approval.

Mr. B Robert Raja is interested in this Resolution as it relates to his reappointment and remuneration. Mr B Antony Raja is interested, as he is the brother of Mr B Robert Raja. None of the other Directors are interested in the Resolution set out in the Notice.

The Explanatory Statement together with the accompanying notice may be treated as an abstract of the terms of payment of remuneration to him under Section 302(7) of the Companies Act, 1956.

Item No: 6

As the shareholders are aware Mr B Antony Raja was holding the office of Whole-time Director of the Company effective 30th May 2000 and at the 20th Annual General Meeting held on 29/09/2010 the shareholders accorded approval by special resolution for reappointment and payment of remuneration to Mr. B Antony Raja the Whole-time Director with effect from 30th May 2010 to 30th May 2013. The above appointment (remuneration) was as per the requirement of section B of Part II of Schedule XIII.

Mr.B.Antony Raja was reappointed at the Board Meeting held on 27th May 2013 with the existing terms and conditions given below for a further period of three years on non-rotational basis. Since reappointment of Whole-time Director made at the Board meeting requires approval at the General Meeting by way of Special resolution the same is put forth for the approval of shareholders in the ensuing Annual General Meeting.

The terms and conditions of the reappointment of the Whole-time Director as set out in the draft agreement are shown below:

The remuneration payable to the Whole-time Director is limited to a maximum of Rs.1,50,000/- per month (Rs.18 lakhs per annum), which is inclusive of salary, allowances, perquisites and benefits. The perquisites and benefits shall be valued as per Income Tax Rules, 1962. In addition he is entitled for the following benefits:

- Contribution to Provident fund, superannuation or annuity fund to the extent these either singly or put together are not taxable.
- Gratuity at the rate of 15 days salary for each completed year of service at the end of the tenure and
- Encashment of unavailed leave at the end of the tenure

Shareholders' approval is also being sought to empower the board to vary the terms of employment from time to time on the exigencies of business, but within the limits prescribed by the Companies Act, 1956.

Minimum Remuneration: Notwithstanding anything contained herein, in the event of inadequacy or absence of

profits in any year under section 349 and 350 of the Companies Act, 1956, as amended, it is proposed to pay the said remuneration by way of minimum remuneration, where necessary with the approval of the Central Government.

The terms and conditions of the above appointment shall be within the overall limits of Section II of Part II of Schedule XIII to the Companies Act, 1956 amended from time to time. Where in any financial year the Company has no profits, the above remuneration payable to the Whole-time Director shall be treated as minimum remuneration payable in accordance with Section II of Part II of Schedule XIII to the Companies Act, 1956.

Wherein in any financial year the company has adequate profits, the remuneration payable to the Whole-time Director shall be within the prescribed limit as laid down in Section I of Part II of Schedule XIII as amended from time to time.

The Whole-time Director as long as he functions as such shall not be paid any sitting fees for attending the meeting of the Board of Directors or committee thereof.

The Whole-time Director in addition to receiving such remuneration subject to the provisions of the Companies Act, 1956 be entitled to be reimbursed by the company in respect of any out of pocket expenses incurred by him in discharge of his bonafide functions / duties on behalf of the company.

Information required under clause (iv) of proviso to paragraph (1) (B) of Section II of Part II of Schedule XIII of the Companies Act, 1956.

I. General information:

- Nature of industry**
The Company is engaged mainly in development of software products in the area of information security.
- Date or expected date of commencement of commercial production:**
The Company has been in business for the past about 23 years.
- In case of new companies, expected date of commencement of activities**
Not applicable, as the company is an existing company.
- Financial performance based on given indicators**

Particulars	Rs. Lakhs		
	FY2012-13*	FY2011-12	FY2010-11
Sales	567.50	436.88	531.50
Profit Before Tax	85.37	51.41	149.97
Profit After Tax	84.93	51.71	150.15
Shareholders Funds	886.48	886.48	886.48
Net Profit/(Loss) as Computed under Section 198 of the Companies Act, 1956	126.42	90.71	188.65
Rate of Dividend on Equity Shares (%)	NA	NA	NA



Annual Report 2012 -2013

(5) *Export performance and net foreign exchange collaborations:*

Particulars	Rs. Lakhs		
	FY2012-13*	FY2011-12	FY2010-11
Foreign Exchange Earned	-	0.35	0.34
Foreign Exchange Used	1.59	3.73	1.87

* The particulars mentioned above for FY 2012-13 are subject to adoption of the audited accounts of the company for the year ended March 31, 2013 in ensuing AGM.

(6) *Foreign investments or collaborators if any:* NIL

II. Information about the appointee:

(1) **Background details**
Mr B Antony Raja is a technocrat by training and has contributed to successful marketing of the products of the company which significantly enhanced the performance of the company. He has over 23 years of experience in handling Finance, Administration, Human Resources and has been managing the day to day activities of the company since inception of the company.

(2) **Past remuneration**

Particulars	Rs. Lakhs (per annum)		
	FY2012-13*	FY2011-12	FY2010-11
Remuneration Paid to Mr. B Antony Raja, Whole-time Director	17.50	15.00	14.50

(3) **Recognition or awards/ Job profile and his suitability:**
He has over 23 years of experience in handling Finance, Administration, Human Resources and managing the day to day activities of the company. This has resulted in significant operational cost reduction especially when the company was undergoing severe cash flow problems.

(4) **Remuneration proposed**
Rs.1,50,000/- per month (Rs.18 lakhs per annum) which is inclusive of Salary, allowances, perquisites and benefits. The perquisites and benefits are valued as per Income Tax Rules, 1962. In addition he is entitled for the following benefits:

- Contribution to Provident fund, superannuation or annuity fund to the extent these either singly or put together are not taxable.
- Gratuity at the rate of 15 days salary for each completed year of service at the end of the tenure and
- Encashment of unavailed leave at the end of the tenure

(5) **Comparative remuneration profile with respect to industry, size of the company profile of the position and person**
Comparable experience profiles attract a minimum remuneration of Rs. 30 lakhs per annum for handling the similar functions in the Industry.

(6) **Pecuniary relationship directly or indirectly with the**

company, or relationship with managerial personnel, if any. Other than the remuneration stated above, Mr B Antony Raja has no other pecuniary relationship directly or indirectly with the Company. He holds 1,02,000 shares in the Company. Mr B Antony Raja is related to Mr.B Robert Raja, Chairman & Managing Director of the company

III. Other information:

(1) **Reasons for losses or inadequate profits:**
Odyssey is engaged in software product development in the area of information security with particular reference to PKI based Digital Signature technologies. Further, the entire development was undertaken in-house so that the resultant Intellectual Properties will be entirely owned by the Company. Building such products from the ground-up is a challenging and time consuming task and any organization that is engaged in a comparable venture has to go through this first phase of 3-5 years. Even after the product development, gaining the acceptance of the market for such mission-critical applications is again a significant task and takes anywhere from 1 to 5 years depending on the marketing spend and other factors. Odyssey has largely been in these two early phases and have successfully crossed them with limited capital resources. The expenditure incurred during these two phases are reflected as losses in the books of the company.

2) **Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:**
The products have been continuously improved and market tested over the last few years and have shown steady market acceptance. The strategy followed so far has been the correct one as evidenced by the customer acceptance and increasing revenues. The steps that are required are to maintain and grow the technology and customer focus with rigorous discipline and consistency. The company has already been witnessing reasonable profit from the financial year 2008-09 onwards and the net profit made in the FY 2012 - 13 is Rs.84.93 lakhs as compared to the net profit of Rs. 51.71 lakhs during the FY 2011-12. The company is expected to become more profitable in the coming years.

The necessary resolution is placed before the members for consideration and approval.

Mr. B Antony Raja is interested in this Resolution as it relates to his reappointment and remuneration. Mr B Robert Raja is interested as he is the brother of Mr B Antony Raja. None of the other Directors are interested in the Resolution set out in the Notice.

The Explanatory Statement together with the accompanying notice may be treated as an abstract of the terms of payment of remuneration to him under Section 302(7) of the Companies Act, 1956.

By order of the Board

Place: Chennai
Date : July 16, 2013

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 2012-13.

FINANCIAL HIGHLIGHTS

	<i>Rs. lakhs</i>	
	FY 2012-13	FY 2011-12
Revenue from operations	567.50	436.89
Other income	17.07	13.65
Total Income	584.57	450.54
Purchase of stock-in-trade	3.65	4.77
Employee benefits expense	357.39	278.02
Finance costs	1.50	4.07
Depreciation and Amortisation expense	12.59	11.56
Other expenses	124.07	100.71
Total Expenses	499.20	399.13
Profit before tax	85.37	51.41
Tax expenses		
Deferred Tax (Asset)	0.44	(0.30)
Profit after tax	84.93	51.71
Total Loss carried forward	(1068.06)	(1152.99)

RESERVES AND SURPLUS

The net profit generated during the year has been added to general reserves which in turn has reduced the carry forward loss.

DIVIDEND

Dividend on equity shares of the company for the year ended March 31, 2013 could not be recommended by your Directors in view of the carried forward loss from the previous years.

BOARD OF DIRECTORS

During the year Mr. Gautam Jain, Independent Director resigned from the Board with effect from 3rd September 2012. The Board places on record its appreciation to Mr. Gautam Jain 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. Kurilla Srinivas Rao was appointed as Additional

Director of the Company on 24-04-2013 subject to the approval of Members in the ensuing Annual General Meeting. The Board recommends to the members the resolution for appointment of Mr. Kurilla Srinivas Rao 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

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.

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:

- In the preparation of the annual accounts applicable accounting standards have been followed;
- 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, 2013 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.11,55,896/- was spent by way of capital expenditure and Rs.2,85,60,644/- 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, 2013	0	0	0	0
Total No. of shares arising as a result of exercise of option as on March 31, 2013	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	330750 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 2012-13	Nil	Nil	Nil	Nil
Total no. of options in force	0	0	0	0
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 : July 16, 2013

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 mechanism 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**(c) 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) : Nil
Total foreign exchange used for operations (in terms of INR) : Rs.1,59,414/-
Total foreign exchange outflow as investments in subsidiary company : NA

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.11,55,896/- | was spent during the year for purchase of various equipments and other infrastructure needed for the R&D. |
| (b) Recurring | Rs.2,85,60,644/- | 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.2,97,16,540/- | |
| (d) Total R & D expenditure as a percentage of total turnover | : 52.36% | |

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.

Odyssey Technologies Limited

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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. The majority of the company's customers come from the banking and financial industries and the rest include government and defense agencies.

Spending on Information security and data privacy increased worldwide during the year, driven by an increasingly evolving threat environment. The banking and financial services sector in India also saw increased spending on e-security infrastructure, mainly driven by the need for service automation and regulations compliance.

The market for digital signature solutions also increased during the year, thanks to many banks and financial services shifting to electronic document management and services. New regulations pertaining to automated payment systems brought about by the Reserve Bank of India have also played a significant role in expanding the market for digital signature solutions.

The banking sector continued to show increased security awareness. Authentication related solutions were particularly in strong demand. Certificate-based authentication and to a lesser extent, one time passwords remain the most preferred forms of authentication amidst banks and financial institutions for protecting high-value transactions. It is expected that various state government initiatives for adopting digital certificates for VAT and tax administration will come to fruition in the next 12-24 months which could give a further boost to the digital certificates market.

The mobile market remained fragmented with Android and iOS in close competition. The fragmentation poses challenges to volume sales within the country for OS specific applications. However, investing in development of cross platform security applications may be a step in the right direction.

The markets for cloud computing and consequently cloud security are still in their infancy despite considerable investments happening in the area. It is expected that these investments will open up new opportunities for e-security in the coming years.

Opportunities and Challenges

Demand for digital signature solutions has increased due to

the introduction of new RBI regulations. The company was able to take advantage of the opportunity and will continue to do so in the future, thanks to the availability of already established products developed at Odyssey.

Demand for authentication solutions remains strong, specifically in the banking and financial sector. The company has field tested products for meeting customer requirements and has a team of experienced developers and sales force for taking advantage of new requirements and opportunities. The company is also continuing its efforts in expanding its reach through partnerships. These efforts are expected to alleviate the challenges in combating competition and acquiring high-value accounts.

The company has also made investments in mobile computing and cloud computing and has positioned itself to be well-informed of emerging trends and develop new solutions in these areas.

The company faced increased price pressures from customers during the year and is diligently working towards both streamlining operations and reengineering products to decrease costs.

Product-wise performance

The company has acquired 13 new customers across the country, thanks to demand for digital signature tools mandated by the RBI. The increased customer-base is expected to lay the foundation for cross-selling high-value products and services in the future.

The total revenue for the year is 56.75 million rupees. Nearly 80% of this revenue was generated by services to customers which include annual maintenance, customizations and product enhancements. Nearly 30% of the revenue from services (24% of the total revenue) was generated by shifting many of the products to a pay-as-you-go model wherein the customer is charged for usage. The management is working on shifting all products to this model in order to ensure increased and predictable revenues in the future. This model is also more attractive for many of the customers who wish to reduce their capital expenditure.

The revenue from sale of new licenses has contributed to 20% of the revenues. Product-wise, Snorkel group of products has contributed 23%, AltaSigna 42% and Certrix 35% to the revenue.

Outlook

The outlook is reasonably optimistic in the near term and fairly bright in the longer term. The company has strategies in place to capitalize on new growth segments and is confident of executing them effectively.

Odyssey Technologies Limited



Risks and Concerns

Changes in regulations pertaining to PKI and e-security may render some of the products irrelevant to the customer and can cause a dent in future revenue. While compliance is a major selling point for our products, almost all of our products also address very important security needs for the customer. Therefore, the risk is mitigated. The management also plays an active role in monitoring e-security regulations and making appropriate changes to the product base to keep them relevant.

We continue to face problems in taking advantage of large opportunities due to company size and resource limitations. Wherever possible, we address such opportunities through our partners. This has its own effect on margins and flexibility. Nevertheless, leveraging such opportunities through our partners keeps us relevant in the market and provides brand visibility.

Our products are used for protecting sensitive customer data and certain risks exist due to emerging cyber threats. Our products are reengineered constantly to minimize such risks.

Major technological breakthroughs that render current cryptographic techniques for protecting information obsolete are a concern for long-term business continuity. We are constantly on our guard for such indicators.

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

The financial performance from the products and services of the company showed marginal improvement.

The total expenditure during the year was Rupees 49.92 million against 39.91 million last year.

The cost of manpower continued to rise and have an impact on performance. As a company engaged in the R & D space of a niche technology, this will be difficult to avoid. The company is however confident that with the increase in revenue, the proportion of this cost item will sink over time.

The interest cost was down at Rupees 0.10 million as against Rupees 0.36 million in the earlier year.

Research and Development

We continue to invest heavily in both human resources and technology for continuing research. This is absolutely essential for keeping our competitive edge.

Human Resources Development

There were seventy employees in the rolls of Odyssey as against fifty six 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 control.

CORPORATE GOVERNANCE REPORT

The detailed report on Corporate Governance for the financial year April 1, 2012 to March 31, 2013 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 2013 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	2	Chairman - Audit Committee (Peirce Leslie India Limited)
Mr. B. Antony Raja	Whole-time Director	Promoter / Executive Director	Nil	Nil
Mr. G. Rajasekaran	Director	Independent, Non-executive Director	1	Nil
Mr. U. Rathish Babu	Director	Independent, Non-executive Director	6	Nil

Odyssey Technologies Limited

**b. Changes in the board during the financial year 2012-13**

Mr. Gautam Jain, Independent Director ceased to be a director of the company w.e.f. 3rd September 2012.

c. Changes in the board after March 31, 2013

Mr. Kurilla Srinivas Rao was appointed as additional director with effect from April 24, 2013.

d. Details of the Directors proposed for appointment / reappointment

Name of the Director	Mr. B Robert Raja	Mr. B Antony Raja	Mr. G. Rajasekaran	Mr. Kurilla Srinivas Rao
Date of birth	Mar 03, 1955	Dec 17, 1958	Jan 23, 1953	Jun 16, 1951
Date of appointment on the Board	Oct 03, 1992	Apr 06, 1990	Aug 14, 2010	Apr 24, 2013
Date of last reappointment	May 30, 2010	May 30, 2010	Sep 28, 2011	-
Qualification	Bachelor of Business Administration (B.B.A) and an Ex-Indian Revenue Service (IRS) Officer	Diploma in Mechanical Engineering (D.M.E)	An ex-Indian Administrative Service(IAS) officer with over 26 years of experience in several senior positions.	B.Sc.,
Brief profile	Detailed profile provided under item 5 of the explanatory statement to the notice.	Detailed profile provided under item 6 of the explanatory statement to the notice.	A Retired officer of 1983 batch of the IAS belonging to the 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.	He was selected by the UPSC to the central secretariat service of the central government and served in various capacities in New Delhi from 1976 to 1998. From 1999 to 2007 he served as Under Secretary in the Ministry of Information and Broadcasting where he handled work relating to Budget and Accounts of the Ministry of I&B. Also dealt with administrative and financial matters of Prasar Bharati Corporation (All India Radio and Doordarshan). From 2008 to 2011 he served as Deputy Secretary in the Ministry of Surface Transport and Ministry of Defence. He has also served as an Assistant Director in the Staff Selection Commission(Southern Region).
Expertise in specific functional areas	General Computing, Cryptography.	Marketing, Finance, Legal & H.R.	Film making, Graphic arts and general administration	Accounts and Administration
List of outside Directorship held	1. Peirce Leslie India Limited 2. PL Agro Technologies Limited	NIL	BGR Energy Limited	NIL
Chairman/Member of the Committees of Board of Directors of the Company	NIL	Member – Audit Committee Member – Share transfer & Investors Grievance Committee	Chairman – Audit Committee & Share transfer & Investors Grievance Committee Member – Remuneration Committee	Chairman – Audit Committee Member – Remuneration Committee
Chairman/Member of the Committees of Board of Directors of other Companies in which Directorship is held	Chairman - Audit Committee - Peirce Leslie India Limited	None	None	None
No. of Shares held in the Company	3,80,700	1,02,000	NIL	NIL

Odyssey Technologies Limited



e. Board Meetings and Related information

During the year Four meetings of the board of directors were held on May 4, 2012, August 08, 2012, October 18, 2012 and January 29, 2013.

f. The attendance particulars of each Director at the Board Meetings for the financial year 2012-13.

Directors	No. of Board meetings attended during the year	Last AGM Attended
<u>Promoter/Executive Directors</u> Mr. B. Robert Raja Mr. B. Antony Raja	4 4	Yes Yes
<u>Independent Directors</u> Mr. Gautam Jain Mr. G. Rajasekaran Mr. U. Rathish Babu	- 4 3	- Yes Yes

g. 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 Audit Committee	Member Member	1 4	1 4
*Mr. Gautam Jain	-	-	-	-
Mr. G. Rajasekaran	Share transfer & Investor Grievance Committee Audit Committee Remuneration Committee	Chairman Chairman Member	1 4 1	1 4 1
Mr. U. Rathish Babu	Remuneration Committee Audit Committee	Chairman Member	1 4	1 4

* Mr. Gautam Jain, ceased to be a director w.e.f. 03-09-2012

h. Details of Shares held by the Directors

Name of the Director	No. of Shares
Mr.B. Robert Raja	3,80,700
Mr.B. Antony Raja	1,02,000
Mr.G. Rajasekaran	NIL
Mr. U Rathish Babu	1,500

i. Board meeting - other information

The Company holds at least four meetings of the Board of Directors every year. Minimum of seven days notice is given 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 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 three members: Mr. G. Rajasekaran, Independent Non Executive Director was the Chairman of the committee, Mr. U. Rathish Babu, 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
i. 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.

ii. Recommending the appointment of external auditors and fixation of audit fee and also approval for payment for other services.

iii. 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 May 4, 2012, August 08, 2012, October 06, 2012 and January 29, 2013. The attendance particulars are given below:

Name of the Director	No. of meetings attended
Mr. G. Rajasekaran	4
Mr. B. Antony Raja	4
Mr. U Rathish Babu	4

4) Remuneration Committee

Remuneration Committee of the board of directors consists of two members. Mr. U. Rathish Babu, Independent Director was the Chairman of the committee and Mr. G. Rajasekaran, Independent Director was the member. During the year the committee met on 8th August 2012.

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, 2013 paid to the Executive Directors are as follows:

Mr B. Robert Raja Rs. 24,00,000
Chairman & Managing Director

Mr B. Antony Raja Rs. 17,50,000
Whole-time Director

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	11,80,000
Allowances (paid during the year)	4,05,000	5,19,000
Commission / Incentives	0	0
Other annual components	15,000	51,000
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

	G. Rajasekaran	U. Rathish Babu
Sitting fees	12,000	9,000

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. G. Rajasekaran, Independent Director and the other member of the committee was Promoter / Executive Director Mr. B Antony Raja. During the year the committee met on 9th August 2012.

The company has not received any complaints from the shareholders during the year under review.

Ms.Ramya S, Company Secretary was the Compliance officer as stipulated by the listing agreement.

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

Year	AGM	Location	Date	Time
2010	20th	Siddhartha Hall, Hotel Goutham Manor, No. 74, Mahatma Gandhi Road, Chennai - 600 034	29-09-2010	3.00 p.m.
2011	21st	Siddhartha Hall, Hotel Goutham Manor, No. 74, Mahatma Gandhi Road, Chennai - 600 034	28-09-2011	3.00 p.m.
2012	22nd	Siddhartha Hall, Hotel Goutham Manor, No. 74, Mahatma Gandhi Road, Chennai - 600 034	26-09-2012	3.00 p.m.

b) Gist of special resolutions passed in the AGM held during the last three years**AGM held on 29-09-2010**

1. The existing Article 89 of the Articles of Association of the company was deleted and a new article was inserted in its place.

2. Reappointment of Mr. B Robert Raja as Managing Director with effect from 30-05-2010 for a period of three years.

3. Reappointment of Mr. B Antony Raja as Whole-time Director with effect from 30-05-2010 for a period of three year.

AGM held on 28-09-2011

- NIL -



AGM held on 26-09-2012

1. Appointment of Ms. Isabelle Raja, a relative of Mr. B Robert Raja, as Assistant Vice President (Communications) w.e.f. 18-06-2012 pursuant to section 314(1)(b) of the Companies Act, 1956, read with Director's Relatives (Office or Place of Profit) Rules, 2003.

2. Revision in remuneration payable to Mr. B Antony Raja, Whole-time Director with effect from 01-06-2012 till the expiry of the current tenure of his office as Whole-time Director.

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

a) 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 16th July 2013

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 2012-13 on Corporate Filing & Dissemination System on website – <http://corpfilings.co.in>.
- e) The details of directors are also updated on Directors Database <http://www.directorsdatabase.com> a Corporate Governance initiative of the Bombay Stock Exchange Limited

10) General shareholder information**a) Annual General Meeting**

Number : Twenty Third AGM
Date and time : 12th September, 2013 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 2014

Tentative Calendar :
First quarter results - Second week of July 2013
Second quarter results - Last week of October 2013
Third quarter results - Last week of January 2014
Fourth quarter results - Last week of April 2014

b) Date of book closure

September 10, 2013 to September 12, 2013, 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 2013-14 has been paid to both the exchanges)

e) Stock code

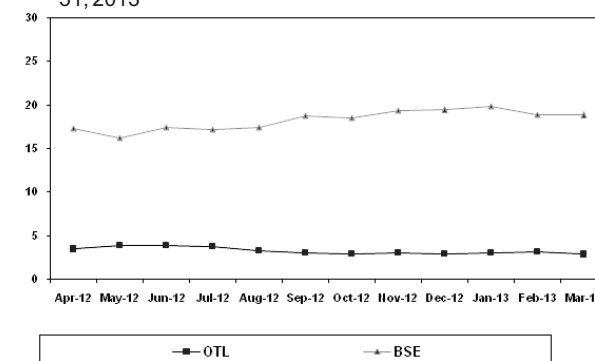
BSE Scrip name - ODYSSEYTEC
Scrip code - 530175
MSE Scrip name - ODYSSEYTEC
Demat ISIN INE213B01019

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

Month	Month's High Price (Rs.)	Month's Low Price (Rs.)
April 12	4.30	3.35
May 12	4.18	3.45
June 12	4.26	3.51
July 12	4.04	3.33
August 12	3.95	3.15
September 12	3.40	2.98
October 12	3.39	2.80
November 12	3.09	2.73
December 12	3.20	2.75
January 13	3.50	2.78
February 13	3.33	2.86
March 13	3.16	2.59

g) Relative movement chart

The chart below gives the relative movement of the closing price of the Company's share and the closing price of the BSE Sensex. The period covered is April 01, 2012 to March 31, 2013

**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 15 days from the date of receipt, subject to the documents being valid and complete in all aspects.

j) Reconciliation of Share Capital Audit

A qualified Practicing Company Secretary, Mr. M Damodaran has carried out reconciliation of Share Capital Audit for every quarter to reconcile the share capital held with depositories and in physical form with the issued/listed capital. The audit confirms that the total issued/paid-up/listed share capital is in agreement with the aggregate total number of shares in physical form and the total number of the dematerialized shares held with NSDL and CDSL.

k) Distribution of shareholding as on March 31, 2013

No. of shares	No. of holders	Percentage	No. of shares held	Percentage
Up to 500	3140	70.96	608624	6.87
501-1000	529	11.95	464771	5.24
1001-2500	358	8.09	616391	6.95
2501-5000	183	4.14	692087	7.81
5001-10000	92	2.08	671449	7.57
10001-20000	60	1.36	881066	9.94
20001-30000	17	0.38	418580	4.72
30001-40000	12	0.27	412519	4.65
40001-50000	7	0.16	330220	3.73
50001-100000	19	0.43	1432345	16.16
100001 & above	8	0.18	2336823	26.36
Total	4425	100.00%	8864875	100.00%

l) Shareholding per category as on March 31, 2013

Category	Physical shares	Demat shares	Total shares	Percent
Shareholding of Promoter & Promoter Group				
Individuals / Hindu Undivided Family	0	1518402	1518402	17.13
Bodies Corporate	0	305150	305150	3.44
Promoter group	0	1823552	1823552	20.57
Public Shareholding				
Foreign Investors	0	50102	50102	0.57
Corporate Bodies	2900	932008	934908	10.55
Individuals	159380	5896933	6056313	68.32
Other than Promoters	162280	6879043	7041323	79.43
Total	162280	8702595	8864875	100.00

m) Dematerialization of shares and liquidity

Nearly 98% of the paid up equity share capital of the company has been dematerialized up to March 31, 2013. Trading in equity shares of the company is permitted only in dematerialized form, as per notification issued by SEBI.



n) 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, 2013

o) Office location

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

p) Address for correspondence

i) Investor correspondence
For transfer/dematization 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 2013, 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, 2013, 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

Chennai
27th May, 2013

(A. Sekar)
Partner
M.No : 18784

Odyssey Technologies Limited

**Independent Auditors' Report**

To the Members of
ODYSSEY TECHNOLOGIES LIMITED
Report on the Financial Statements

We have audited the accompanying financial statements of **ODYSSEY TECHNOLOGIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

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:

- In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by section 227(3) of the Act, we report that:
 - We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - 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.
 - The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

Chennai
27th May, 2013

(A.Sekar)
Partner
M.No: 18784



Odyssey Technologies Limited

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 interests 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 2013 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
27th May, 2013

(A. Sekar)
Partner
M.No : 18784



BALANCE SHEET AS AT MARCH 31, 2013

Particulars	Notes	Amount in Rs.	
		As at Mar 31, 2013	As at Mar 31, 2012
A EQUITY AND LIABILITIES			
I Shareholders' funds			
(a) Share capital	2	88,648,750	88,648,750
(b) Reserves and surplus	3	(46,746,240)	(55,239,079)
		41,902,510	33,409,671
II Non-Current liabilities			
(a) Long-term borrowings	4	434,563	271,634
(b) Other long-term liabilities	5	1,955,876	2,591,576
(c) Long-term provisions	6	2,945,222	2,996,478
		5,335,661	5,859,688
III Current liabilities			
(a) Short-term borrowings	7	287,736	135,288
(b) Trade payables	8	2,153,527	1,651,647
(c) Other Current liabilities	9	4,284,361	882,828
		6,725,624	2,669,763
Total		53,963,795	41,939,122
B ASSETS			
I Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		4,700,326	3,648,371
(ii) Intangible assets		636,513	739,357
(b) Deferred tax assets	11	120,080	164,609
(c) Long-term loans and advances	12	969,296	1,412,252
(d) Other non-current assets	13	15,898,022	16,243,886
		22,324,237	22,208,475
II Current assets			
(a) Trade receivables	14	11,939,459	6,533,811
(b) Cash and cash equivalents	15	5,934,169	670,058
(c) Short-term loans and advances	16	3,128,056	4,578,571
(d) Other current assets	17	10,637,874	7,948,207
		31,639,558	19,730,647
Total		53,963,795	41,939,122

Summary of Significant Accounting Policies 1

The accompanying notes form an integral part of the financial statements

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: 27th May 2013

Odyssey Technologies Limited

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2013**

Particulars	Notes	Amount in Rs.	
		Year ended Mar 31, 2013	Year ended Mar 31, 2012
I INCOME			
(a) Revenue from operations (gross)	18	56,750,719	43,688,964
Less: Excise duty		-	-
Revenue from operations (net)		56,750,719	43,688,964
(b) Other income	19	1,707,863	1,365,057
Total revenue		58,458,582	45,054,021
II EXPENSES			
(a) Purchase of stock-in-trade	20	365,455	477,125
(b) Employee benefits expense	21	35,739,173	27,802,204
(c) Finance costs	22	149,990	407,182
(d) Depreciation and amortisation expense	10	1,259,104	1,155,860
(e) Other expenses	23	12,407,492	10,070,735
Total expenses		49,921,214	39,913,106
III PROFIT / (LOSS) BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX		8,537,368	5,140,915
Exceptional items		-	-
IV PROFIT / (LOSS) BEFORE EXTRAORDINARY ITEMS AND TAX		8,537,368	5,140,915
Extraordinary items		-	-
V PROFIT / (LOSS) BEFORE TAX		8,537,368	5,140,915
Tax expense			
(a) Current tax		-	-
(b) Deferred tax (Asset)		44,529	(30,536)
		44,529	(30,536)
VI PROFIT / (LOSS) FOR THE YEAR		8,492,839	5,171,451
VII EARNINGS PER SHARE			
Basic and Diluted from continuing and total operations	26	0.96	0.58

Summary of Significant Accounting Policies 1

The accompanying notes form an integral part of the financial statements

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: 27th May 2013

Odyssey Technologies Limited



Note :1 Summary of Significant Accounting Policies**A Basis of accounting**

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. The presentation and disclosure of financial statements are made in accordance with Schedule VI as currently applicable.

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 Retirement benefits

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

I 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.

J Earnings Per Share

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

K Income taxes

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences between taxable income and accounting income which are capable of reversal in subsequent periods and are measured using relevant enacted tax rates.

L 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.

A. EQUITY AND LIABILITIES**I.SHAREHOLDERS' FUNDS**

Particulars	Amount in Rs.	
	As at Mar 31, 2013	As at Mar 31, 2012
Note 2: Share Capital		
(a) Authorised capital 150,00,000 equity shares of Rs.10/- each	150,000,000	150,000,000
(b) Issued,subscribed and fully paid up 88,64,875 equity shares of Rs. 10/- each	<u>88,648,750</u>	<u>88,648,750</u>
(c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period There is no change in the holding pattern of the Share Capital during the year 2012-13.		
(d) Rights, Preferences and restrictions The company has only one class of equity shares having a par value of Rs.10/- per share. Each member is entitled to one vote by show of hands and while on poll, every shareholder is entitled to vote in proportion to their holdings.		
(e) Shareholding of shareholders holding more than 5% of shares 'NIL' for the FY 2012-13 and FY 2011-12		
Note 3: Reserves and Surplus		
(a) Capital reserves	2,881,900	2,881,900
(b) Securities premium account	57,178,091	57,178,091
(c) Surplus / (Deficit) in Statement of Profit and Loss		
(i) Opening balance	(115,299,070)	(120,470,521)
(ii) Add: Profit / (Loss) for the year	8,492,839	5,171,451
(iii) Closing balance	<u>(106,806,231)</u>	<u>(115,299,070)</u>
Total	<u>(46,746,240)</u>	<u>(55,239,079)</u>
II. NON-CURRENT LIABILITIES		
Note 4: Long-term borrowings		
(a) Deferred payment liabilities		
(i) Secured by Hypothication of cars ¹	434,563	271,634
Total	<u>434,563</u>	<u>271,634</u>
¹ Repayable in EMIs to ICICI Bank & HDFC Bank Ltd that falls due after 12 months.		
Note 5: Other long-term liabilities		
(a) Trade Payables	1,723,297	2,358,997
(b) Interest accrued on other payables	232,579	232,579
Total	<u>1,955,876</u>	<u>2,591,576</u>
Note 6: Long-term provisions		
(a) Provision for employee benefits:		
(i) Provision for gratuity	2,945,222	2,996,478
Total	<u>2,945,222</u>	<u>2,996,478</u>



Particulars	Amount in Rs.	
	As at Mar 31, 2013	As at Mar 31, 2012
III. CURRENT LIABILITIES		
Note 7: Short-term borrowings		
(a) Deferred payment liabilities		
(i) Secured by Hypothication of cars ²	287,736	135,288
Total	287,736	135,288
² Repayable in EMIs to ICICI Bank & HDFC Bank Ltd that falls due within 12 months.		
Note 8: Trade payables		
(a) Dues to Micro, Small and Medium Enterprise	-	-
(b) Dues to others	2,153,527	1,651,647
Total	2,153,527	1,651,647
Note 9: Other current liabilities		
(a) Statutory remittances (Contributions to PF, ESIC, Sales tax, TDS)	869,368	834,015
(b) Employees Stock Option Outstanding	-	48,813
(c) Prerecieved Income *	3,414,993	-
Total	4,284,361	882,828

* Part of the product maintenance revenue billed but recognizable over the contract period that falls beyond the FY 2012-13



Note 10: Statement of depreciation on Fixed Assets

A. TANGIBLE ASSETS

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2012	Additions	Deletions	As at March 31, 2013	As at April 1, 2012	Depreciation for the year	Deletions	Other adjustments	As at March 31, 2013	As at March 31, 2012
(a) Plant and Equipment	14,240,357	1,224,378	771,084	14,693,651	12,614,865	637,331	769,818	-	12,482,378	1,625,493
(b) Furniture and Fixtures	6,607,086	-	-	6,607,086	5,744,123	156,196	-	-	5,900,319	862,963
(c) Vehicles	2,583,687	985,104	-	3,568,791	1,631,728	333,806	-	-	1,965,534	951,959
(d) Office equipment	930,380	-	-	930,380	722,424	28,927	-	-	751,351	207,956
Total	24,361,510	2,209,482	771,084	25,799,908	20,713,140	1,156,260	769,818	-	21,099,582	3,648,371
Previous year	30,836,153	826,740	7,301,382	24,361,511	26,966,424	1,036,398	7,289,682	-	20,713,140	3,869,729

B. INTANGIBLE ASSETS

(a) Software (IPR)	5,000,000	-	-	5,000,000	4,260,643	102,844	-	-	4,363,487	739,357
Total	5,000,000	-	-	5,000,000	4,260,643	102,844	-	-	4,363,487	739,357
Previous year	5,000,000	-	-	5,000,000	4,141,181	119,462	-	-	4,260,643	858,819

Depreciation relating to continuing operations:

Particulars	Year ended 31 Mar 2013	Year ended 31 Mar 2012
Depreciation for the year on tangible assets	1,156,260	1,036,398
Depreciation for the year on intangible assets	102,844	119,462
Total depreciation relating to continuing operations	1,259,104	1,155,860



B. ASSETS**I. NON CURRENT ASSETS**

Particulars	Amount in Rs.	
	As at Mar 31, 2013	As at Mar 31, 2012
Note 11: Deferred Tax Asset		
Opening Balance	164,609	134,073
Add : Deferred Tax Asset / (Liability) during the year	(44,529)	30,536
Total	120,080	164,609
Note 12: Long-term loans and advances		
(a) Security deposits	810,532	1,085,532
Unsecured, considered good		
(b) Prepaid expenses	39,620	88,432
(c) Preliminary Expenses		
(i) Amortised amalgamation expenses	119,144	238,288
Total	969,296	1,412,252
Note 13: Other non-current assets		
(a) Trade receivables	3,675,022	4,020,886
Outstanding for a period exceeding six months		
Unsecured, considered good		
(b) Fixed deposits with Bank	12,223,000	12,223,000
(Offered as margin for Bank Guarantee)		
Total	15,898,022	16,243,886
II CURRENT ASSETS		
Note 14: Trade receivables		
(a) Outstanding for a period exceeding six months	1,037,165	275,750
Unsecured, considered good		
(b) Other trade receivables	10,902,294	6,258,061
Unsecured, considered good		
Total	11,939,459	6,533,811
Note 15: Cash and cash equivalents		
(a) Cash on hand	218,838	333,267
(b) Balances with banks		
(i) In Current accounts	970,331	336,791
(ii) In Fixed Deposit	4,745,000	-
Total	5,934,169	670,058
Note 16: Short-term loans and advances		
(a) Security deposits	2,151,000	1,662,416
Unsecured, considered good		
(b) Loans and advances to employees	86,000	52,600
Unsecured, considered good		
(c) Prepaid expenses	628,756	688,388
(d) Other loans and advances		
(i) Inter corporate deposits	-	2,000,000
(e) Preliminary Expenses		
(i) Amortised amalgamation expenses	119,144	119,144
(f) Balances with government authorities		
Unsecured, considered good		
(i) VAT credit receivable	46,796	4,169
(ii) Service Tax credit receivable	96,360	51,854
Total	3,128,056	4,578,571



Particulars	Amount in Rs.	
	As at Mar 31, 2013	As at Mar 31, 2012
Note 17: Other current assets		
(a) Interest accrued on deposits	83,819	87,683
(b) TDS on receipts	10,554,055	7,860,524
Total	10,637,874	7,948,207
I. INCOME		
Note 18: Revenue from operations		
(a) Gross income from licensed software products	11,890,109	13,154,502
Less : Excise duty	-	-
Net income from licensed software products	11,890,109	13,154,502
(b) Income from services	44,860,610	30,499,327
(c) Export Income	-	35,135
Total	56,750,719	43,688,964
Note 19: Other Income		
(a) Interest income		
(i) Interest from banks on deposits	1,442,212	1,273,717
(ii) Interest on income tax refund	262,630	85,276
(b) Net gain on foreign currency transactions and translation	3,021	6,064
Total	1,707,863	1,365,057
II EXPENSES		
Note 20: Purchase of Stock-in trade		
(a) Purchase of Hardware	365,455	477,125
Total	365,455	477,125
Note 21: Employee benefits expense		
(a) Salaries and wages	35,031,707	27,311,910
(b) Contributions to provident and other funds	161,117	156,797
(c) Expense on employee stock option	(48,815)	(51,791)
(d) Staff welfare expenses	595,164	385,288
Total	35,739,173	27,802,204
Note 22: Finance costs		
(a) Interest expense	97,296	364,610
(b) Other borrowing costs	52,694	42,572
Total	149,990	407,182



Annual Report 2012 -2013

Particulars	Amount in Rs.	
	As at Mar 31, 2013	As at Mar 31, 2012
Note 23: Other expenses		
(a) Power and fuel	715,545	619,437
(b) Rent	4,199,525	3,674,398
(c) Repairs and maintenance		
(i) Building	280,191	234,360
(ii) Vehicle	349,923	520,959
(iii) Computers and other Machineries	237,050	331,357
(d) Payments to auditors		
(i) For statutory audit	50,000	50,000
(ii) For taxation matters	25,000	25,000
(iii) For other services	21,000	6,067
(e) Travel Foreign	252,435	441,941
(f) Travel Inland	1,208,659	838,940
(g) Service Charges Paid	1,700,000	650,000
(h) Consultancy Fee	900,000	900,000
(i) Bad debts	506,000	-
(j) Other Expenses	1,962,164	1,778,276
Total	12,407,492	10,070,735

ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS**Note 24: Related party disclosure (AS 18)**

(i) Key Management Personnel		
Mr.B Robert Raja		
Mr.B Antony Raja		
(ii) Transactions with Key Management Personnel		
(a) Loan from Directors		
Opening Balance	-	-
Received during the year	514,385	2,585,644
Repaid during the year	514,385	2,585,644
Balance at the end of the year	-	-
(b) Interest on Loan		
Paid during the year	4,164	57,818

Note 25: Remuneration to Directors

(i) Managing Director	2,400,000	2,400,000
(ii) Whole-time Director	1,750,000	1,500,000
	<u>4,150,000</u>	<u>3,900,000</u>

Note 26: Disclosure on Earning per share (AS 20)

Net Profit as per P & L Statement	8,492,839	5,171,451
Number of shares	8,864,875	8,864,875
Basic and diluted earning per share	<u>0.96</u>	<u>0.58</u>



Annual Report 2012 -2013

Particulars	Amount in Rs.	
	As at Mar 31, 2013	As at Mar 31, 2012
Note 27: Disclosure on Accounting for Intangible Assets (AS 26)		
Gross amount at the beginning of the year	5,000,000	5,000,000
Additions during the year	-	-
Gross amount at the end of the year	5,000,000	5,000,000
Gross depreciation at the beginning of the year	4,260,643	4,141,181
Depreciation during the year	102,844	119,462
Gross depreciation at the end of the year	4,363,487	4,260,643
Net amount at the beginning of the year	739,357	858,819
Net amount at the end of the year	636,513	739,357
Note 28: Expenditure on Scientific research and Development		
(a) Revenue Expenditure	28,560,644	21,474,084
(b) Capital Expenditure	1,155,896	291,905
Total	29,716,540	21,765,989
Note 29: Expenditure in Foreign Currency		
(a) Travel abroad	98,779	322,472
(b) Web Maintenance	60,635	50,952
Total	159,414	373,424
Note 30: Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006		
Company has not received any information from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosures relating to amount unpaid as at the year end as required under that Act have been stated as 'NIL'. However, no interest has been paid / payable on such outstanding if any, during the year.		
Note 31: ESOP		
Under ESOP 2006 issue, out of 331,300 options granted to the employees, 16,436 options were vested and lapsed during the year and hence written back as ESOP compensation expenses.		
Note 32: Previous year's figures		
Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.		



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	<i>Amount in Rs.</i>	
	Year ended Mar 31, 2013	Year ended Mar 31, 2012
A. Cash flow from operating activities		
Net Profit before tax, per profit and loss statement	8,537,368	5,140,915
<i>P&L adjustments:</i>		
Depreciation & Amortisation	1,259,104	1,155,860
Interest & Finance charges	149,990	407,182
Interest income	(1,707,863)	(1,365,057)
Provisions and non cash items	(49,990)	11,700
Bad Debts written off	506,000	-
	157,241	209,685
Operating profit before changes in working capital	8,694,610	5,350,600
<i>Balance sheet adjustments:</i>		
Decrease / (Increase) in trade and other receivables	(6,361,980)	(1,832,318)
Increase / (Decrease) in liabilities and provisions	3,267,713	(2,368,412)
	(3,094,267)	(4,200,730)
Net Cash provided by operating activities	5,600,343	1,149,870
B. Cash flow from investing activities		
Purchase of fixed assets	(2,209,482)	(826,740)
Fixed Deposits with Bank	-	(95,000)
Interest received	1,707,863	1,365,057
Net cash (used) in investing activities	(501,619)	443,317
C. Cash flow from financing activities		
Proceeds from borrowings	315,377	187,575
Interest paid	(149,990)	(407,182)
Net cash (used) in financing activities	165,387	(219,607)
D. Net increase in cash and cash equivalents	5,264,111	1,373,580
Cash and cash equivalents at the beginning of the year	670,058	(703,521)
Cash and cash equivalents at the end of the year (Note No.15)	5,934,169	670,058

As per our report of even date

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

A Sekar
Partner
M.No : 18784

Place: Chennai,
Date: 27th May 2013

For and on behalf of the Board of Directors

B Robert Raja
Chairman & Managing Director

S Ramya
Company Secretary

B Antony Raja
Whole-time Director

Odyssey Technologies Limited

NOTES

Odyssey Technologies Limited

NOTES



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
DP ID	Client ID
<input type="checkbox"/> Member	<input type="checkbox"/> Proxy

23rd Annual General Meeting
12th September, 2013 at 3.00 p.m.

Siddhartha Hall
Hotel Goutham Manor,
No.74, Mahatma Gandhi Road,
Chennai -600034

I hereby register my presence at the meeting

Signature of the member / proxy :



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

I / We
.....
of.....

Folio	Holding
DP ID	Client ID

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 23rd Annual
General Meeting of the company to be held on Thursday, the 12th September, 2013 and at any adjournment thereof

Signed this day of 2013

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

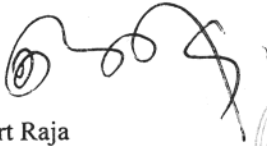
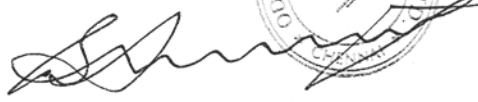
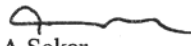
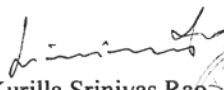
August 16, 2013

The Manager - Listing
Bombay Stock Exchange Ltd.
 25th Floor, P.J. Towers
 Dalal Street, Fort
 Mumbai - 400 001

Dear Sir,


Pursuant to Clause 31(a) of the Listing Agreement, please find below Form A

FORM A

1.	Name of the Company	Odyssey Technologies Limited
2.	Annual Financial Statements for the year ended	31 st March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N A
5.	To be signed by –	
	• CEO / Managing Director	 B Robert Raja
	• CFO / Whole-time Director	 B Antony Raja
	• Auditor of the company	 A Sekar B B Naidu & Co.
	• Audit Committee Chairman	 Kurilla Srinivas Rao

Thanking you,

Yours sincerely,
For Odyssey Technologies Limited


S Ramya
Company Secretary