



## Report on Corporate Governance

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2010.

### 1. Company's Philosophy

The Company's philosophy on Code of Corporate Governance is based on the following principles:

- (1) The members of the Board are persons in whom the shareholders have reposed their confidence and trust. Persons appointed to the Board are conscious of their corporate and social responsibilities and maintain highest standards of integrity.
- (2) Highest standards of compliance, disclosure and transparency are maintained by the Company.

### 2. Board of Directors

Mr. Ambarish Chatterjee retires at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

Ms. Sushmaa Chhabra resigned as Director and Company Secretary w.e.f. May 31, 2009. Mr. H.K. Chadha and Mr. Arun Deora were appointed as Additional Directors of the Company on October 9, 2009 and they hold office till the forthcoming Annual General Meeting.

Notices have been received from shareholders of the Company proposing candidature of Mr. H.K. Chadha and Mr. Arun Deora to the office of Directors of the Company.

The composition of Board of Directors of the Company is in line with Clause 49 (I)(A) (ii) of the Listing Agreement and one half of the Directors are Independent Directors.

#### Directors' Profile

Brief resume of all the Directors, nature of their expertise in specific functional areas and number of companies in which they hold directorships, memberships / chairmanships of Board Committees and their shareholding in the Company are as follows:

- (i) Mr. B. Bhushan Deora, aged 77, is a qualified Chartered Accountant and Cost Accountant having more than 50 years of experience with large corporate houses where he has held functional responsibility for Financial and accounting matters, Direct and Indirect taxation matters, Corporate laws and economic legislative matters and Business structuring and restructuring, amongst others.

He is also a member of the Markets and Investment Committee (Investment Committee) of the Company.

Mr. B. Bhushan Deora does not hold any shares in the Company as on March 31, 2010.

- (ii) Mr. H.K. Chadha, aged 71, is a qualified Chartered Accountant having more than 40 years experience in Business Consulting, particularly in areas of General Management and Corporate Finance. He heads a Firm of Practicing Chartered Accountants, and has extensive experience in the field of Auditing.

He does not hold any membership in any Committee of the Company.

Mr. H.K. Chadha does not hold any shares in the Company as on March 31, 2010.

- (iii) Mr. Sajeve Deora, aged 50, is the son of Mr. B. Bhushan Deora, the Chairman and one of the other Directors of the Company. Mr. Sajeve Deora is a qualified Chartered Accountant having more than 27 years of experience in Corporate and related Economic legislations, restructuring of business and debt, structuring entry strategy for overseas investments, mergers and acquisitions and takeovers, capital issues and identifying vendors for new project investments.

He is also a member of the Audit Committee, the Share Transfer & Investors' Grievance Committee (Shareholders' Grievances Committee) and Remuneration Committee of the Company.

Mr. Sajeve Deora does not hold any shares in the Company as on March 31, 2010.

- (iv) Mr. Ambarish Chatterjee, aged 47, is a qualified Company Secretary having an experience of about 20 years in execution of professional assignments like capital issue management, representation before the Company Law Board and Reserve Bank of India, drafting of commercial contracts, restructuring through amalgamation / merger / demerger, acquisition / takeover of businesses, formation of joint venture companies.

He is a member of the Audit Committee and is Chairman of the Share Transfer & Investors' Grievance Committee (Shareholders' Grievance Committee), the Remuneration Committee and the Markets & Investment Committee (Investment Committee) of the Company.

Mr. Ambarish Chatterjee does not hold any shares in the Company as on March 31, 2010.

## INTEGRATED CAPITAL SERVICES LIMITED



- (v) Mr. Sandeep Chandra, aged 49, is a qualified Chartered Accountant having an experience of about 25 years in managing a family owned sugar manufacturing factory and supervising financial, banking, technical and administrative functions thereof.

He is the Chairman of the Audit Committee and also a member of the Share Transfer & Investors' Grievance Committee (Shareholders' Grievance Committee), Remuneration Committee and the Markets & Investment Committee (Investment Committee) of the Company.

Mr. Sandeep Chandra does not hold any shares in the Company as on March 31, 2010.

- (vi) Mr. Arun Deora, aged 47, is the son of Mr. B. Bhushan Deora, Chairman and one of the Directors of the Company. Mr. Arun Deora is a qualified Chartered Accountant having more than 20 years of experience in the field of capital markets and capital leveraging. He has expertise in analysis of market securities.

He does not hold any membership in any Committee of the Company.

Mr. Arun Deora does not hold any shares in the Company as on March 31, 2010.

Details of designation of directors, attendance of Board Meetings / AGM and other directorship and chairmanships/memberships of Committees

S. No.	Name of Director	Category of Directorship	Attendance of Meetings during 2009-10		No. of Directorships and Committee Memberships/Chairmanships (including this Company)		
			Board Meetings	Last AGM*	Directorships	Committee Memberships	Committee Chairmanships
1.	Mr. B. Bhushan Deora	Non Executive-Promoter	5	Yes	5	4	1
2.	Mr. Sajeve Deora	Non Executive-Promoter	5	No	11	12	7
3.	Mr. Ambarish Chatterjee	Non Executive-Independent	5	Yes	10	9	4
4.	Ms. Sushmaa Chhabra*	Executive-Independent	1	Yes	1	-	-
5.	Mr. Sandeep Chandra	Non Executive-Independent	4	Yes	3	4	1
6.	Mr. Arun Deora **	Non Executive-Promoter	1	N.A.	2	-	-
7.	Mr. H.K. Chadha**	Non Executive-Independent	2	N.A.	1	-	-

\* Resigned as Director and Company Secretary w.e.f May 31, 2009.

\*\* Appointed as director after the last AGM.

Remuneration/ Sitting Fees to Directors

No remuneration was being paid to any of the Directors of the Company except for Ms. Sushmaa Chhabra who was paid Salary of Rs. 1,03,333.33 during the financial year.

Sitting Fees paid to the Non-executive Directors during the year is as follows:

S. No.	Name of Director	Sitting Fees paid during the year (Rs.)
1.	Mr. Ambarish Chatterjee	40,000

### 3. Meetings of the Board / Committees

Board Meetings

During the year ended March 31, 2010, five (5) meetings of the Board of Directors were held on April 10, 2009, June 9, 2009, July 10, 2009, October 9, 2009 and January 8, 2010.



## INTEGRATED CAPITAL SERVICES LIMITED

### Audit Committee

The Audit Committee, comprises Mr. Sandeep Chandra as Chairman and Mr. Sajeve Deora and Mr. Ambarish Chatterjee as Members. Two-thirds of the members of this committee including the Chairman of the Committee, are independent Directors, as per Clause 49(II) (A) (i) and (iii) of the Listing Agreement.

The powers and role of the Audit Committee are in accordance with the provisions of Clause 49 of the Listing Agreement related to the Corporate Governance.

During the year ended March 31, 2010, four (4) meetings of the Audit Committee were held on April 10, 2009, July 10, 2009, October 9, 2009 and January 8, 2010.

The Company Secretary functions as the Secretary of the Committee.

### Share Transfer & Investors' Grievance Committee

During the year the "Shareholders' Grievance Committee" was re-named as "Share Transfer & Investors' Grievance Committee" to be in consonance with the scope of work as entrusted by the Board of Directors.

The Share Transfer & Investors' Grievance Committee comprises Mr. Ambarish Chatterjee as Chairman and Mr. Sajeve Deora and Mr. Sandeep Chandra as Members.

During the year ended March 31, 2010, two (2) meetings of the Share Transfer & Investors' Grievance Committee were held on, January 8, 2010, and January 30, 2010.

Two complaints were received from shareholders during the year and they were duly resolved.

No complaint of any shareholder was pending as on March 31, 2010.

### Remuneration Committee

The Remuneration Committee comprises Mr. Ambarish Chatterjee as Chairman and Mr. Sajeve Deora and Mr. Sandeep Chandra as Members.

During the year ended March 31, 2010, one (1) meeting of the Remuneration Committee was held on, January 08, 2010.

### Markets' & Investment Committee

During the year, the Investment Committee was renamed as Markets' and Investment Committee to be in consonance with the scope of work as entrusted by the Board of Directors. Currently, the committee comprises Mr. Ambarish Chatterjee as Chairman and Mr. B. Bhushan Deora and Mr. Sandeep Chandra as Members.

During the year ended March 31, 2010, three (3) meetings of the Markets' and Investment Committee were held on, April 10, 2009, October 9, 2009 and January 8, 2010.

### Compliance Officer

Company Secretary is appointed as the Compliance Officer of the Company.

#### 4. General Body Meetings

Location, date and time of the Annual General Meetings held during the preceding 3 years and the Special Resolutions passed thereat are as follows:

Year	Location	Date and Time	Special Resolutions Passed
2006-07	D 300, Anand Vihar, Delhi 110 092	July 9, 2007 at 10.00 A.M.	Nil
2007-08	74, Janpath, New Delhi 110 001	May 10, 2008 at 11.00 A.M.	Issue and allotment of 1,00,000 equity shares on preferential basis
2008-09	509, New Delhi House, Barakhamba Road, New Delhi 110 001	May 23, 2009 at 11.00 A.M.	Issue and allotment of 2,05,000 equity shares on preferential basis.

## INTEGRATED CAPITAL SERVICES LIMITED



### 5. Subsidiary Company/Joint Ventures

100% Subsidiary company – RAAS e Solutions Private Limited

RAAS e Solutions Private Limited (RAAS) is engaged in the business of providing financial accounting services, on an outsourced basis, to clients within and outside India. RAAS has successfully developed processes for systematic work flow to carry out remote access accounting and the work flow is customized to suit client requirements.

RAAS would be providing expert guidance and advice to corporate clients for drawing up their accounting in compliance with IFRS.

100% Subsidiary company - Green Infra Profiles Pvt. Ltd.

During the year, the Company promoted Green Infra Profiles Pvt. Ltd. as a 100% Subsidiary company to invest in applications in Green Technology.

Joint Ventures

KW Publishers Private Limited

KW Publishers Private Limited is a joint venture with 40% investment in the equity of the company.

KW Publishers Private Limited is engaged in publishing and distribution of books on subjects of Defence, Strategic Studies and International Affairs.

Sun Links Limited

Sun Links Limited is a joint venture company set up in the U.K. through 50% equity participation.

Sun Links has commenced business in providing consulting services in commercial transactions.

### 6. Disclosures on materially significant related party transactions

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of Members is drawn to the disclosures of transactions with the related parties set out in Notes on Accounts – Schedule '15', forming part of the Annual Report.

### 7. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, or any other statutory authority on any matter related to capital markets, during the last three years.

Consequent on termination / expulsion of its dealership by OTCEI for non payment of OTCEI fee as the Company considered trading operation of OTCEI as unviable, the Company did not pay SEBI fee post the aforesaid termination assuming it is not payable. SEBI issued a show cause notice to the Company on October 10, 2004 for non-payment of SEBI registration fee which was duly replied. However, SEBI demanded outstanding fee, which too was paid with interest. Thereafter, the Company surrendered the SEBI Registration to SEBI through OTCEI for its cancellation. SEBI, vide its Order dated 23<sup>rd</sup> January, 2008, cancelled the certificate of registration of the Company.

### 8. Means of Communication

Quarterly Results

Quarterly Results are published in 'The Financial Express' and 'Jansatta'.

Annual Report

Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report, and other important information is circulated to members and others entitled thereto. The Report on Management Discussion and Analysis (MD&A) forms part of the Annual Report.

### 9. General Shareholder Information

Company Registration Details

The Company is registered in the NCT of Delhi, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L74899DL1993PLC051981

Annual General Meeting:

Day, Date, Time and Venue:

Saturday, May 22, 2010, 11:00 A.M

606, New Delhi House, Barakhamba Road, New Delhi 110 001

Financial Year:

April 1 to March 31

Book Closure Period:

Thursday, May 20, 2010  
to Saturday, May 22, 2010  
(both days inclusive), for AGM



## INTEGRATED CAPITAL SERVICES LIMITED

Listing on Stock Exchanges, Stock Codes etc.

Stock Exchange	No. of Shares Listed	Trading ISIN
Delhi Stock Exchange Association Limited (DSE) 3/1, Asaf Ali Road, New Delhi 110 002	35,55,000	INE682B01015
Madras Stock Exchange Limited (MSE) Exchange Building, 11, Second Line Beach, Chennai 600 001	35,55,000	
Ahmedabad Stock Exchange Limited (ASE) Kamdhenu Complex, Opp: Sahjanand College, Panjarapole, Ahmedabad 380 015	35,55,000	
Jaipur Stock Exchange Limited (JSE). Stock Exchange Building, Jawaharlal Nehru Marg, Malviya Nagar, Jaipur 302 017	35,55,000	

### Stock Market Data

The shares of the Company have not been traded on any of the stock exchanges where the shares of the Company are listed as there has been no trading on these exchanges during the year under report.

### Payment of Listing Fee

The Company has been regularly paying Listing Fee to all Stock Exchanges and there is no overdue on this account.

### Registrar and Transfer Agent:

Link Intime India Private Limited,  
A - 40, 2<sup>nd</sup> Floor,  
Naraina Industrial Area Phase II,  
New Delhi 110 028  
E-Mail: [delhi@linkintime.com](mailto:delhi@linkintime.com)  
Telephone Nos. : +91-11-41410592 / 93 / 94

### Share Transfer System

Presently, the share transfers which are 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 respects. The Board has delegated the authority for approving transfer, transmission etc. of the Company's securities to the Share Transfer and Investors' Grievance Committee. The Company obtains, from a Company Secretary in Practice, half-yearly certificate, of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

### Distribution of Shareholding as on 31<sup>st</sup> March, 2010

S. No.	Category	Shares					
		Electronic Form		Physical Form		Total	
		No. of Shares	%age of Total Capital	No. of Shares	%age of Capital Total	No. of Shares	%age of Total Capital
1	Promoters	25,04,100	70.44	-	-	25,04,100	70.44
2	Bodies Corporate	2,21,800	6.24	900	0.02	2,22,700	6.26
3	Individuals (Including HUFs)	4,67,500	13.15	3,60,700	10.15	8,28,200	23.30
	Total	31,93,400	89.83	3,61,600	10.17	35,55,000	100.00

## INTEGRATED CAPITAL SERVICES LIMITED



### Shareholding Pattern by Size

S. No.	Category	Share holders		No. of Shares			
		No.	%age of Total Shareholders	Physical Form	Electronic Form	Total	%age of Total Capital
1	Up to 2500	42	6.81	4,700	1,000	5,700	0.16
2	2501-5000	272	44.08	1,04,600	27,730	1,32,330	3.72
3	5001-10000	254	41.17	1,85,000	38,600	2,23,600	6.29
4	10001-20000	20	3.24	23,800	7,300	31,100	0.88
5	20001-30000	12	1.95	20,600	10,600	31,200	0.88
6	30001-40000	1	0.16	3,700	-	3,700	0.10
7	40001-50000	2	0.32	9,600	-	9,600	0.27
8	50001-100000	5	0.81	9,600	33,400	43,000	1.21
9	100001 and above	9	1.46	-	30,74,770	30,74,770	86.49
	Total	617	100.00	3,61,600	31,93,400	35,55,000	100.00

Address for Correspondence  
606, 6<sup>th</sup> Floor, New Delhi House, Barakhamba Road, New Delhi 110 001.

#### 10. Compliance Certificate of the Auditors

Certificate from the Auditors of the Company, M/s. Sandeep Varshney & Associates, Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49, is annexed to the Directors' Report forming part of the Annual Report.

#### 11. Code of Conduct

The Board members and senior management have affirmed their compliance with the code and a declaration signed by the Managing Director of the Company appointed in terms of the Companies Act, 1956 (i.e. the CEO within the meaning of clause 49-V of the listing agreement) is given below:

"It is hereby declared that the Company has obtained from all the members of the Board & Senior Management affirmation that they have complied with the Code of Conduct for Directors & Senior Management of the Company for the year 2009-10."

(Sajeve Deora)  
Managing Director

#### 12. CEO/CFO Certification

The Managing Director (CEO) has certified to the Board in accordance with Clause 49 (V) of the Listing Agreement pertaining to CEO/ CFO certification for the Financial Year ended March 31, 2010.

#### 13. Disclosure of Accounting Treatment

No treatment different from that prescribed in Accounting Standards have been followed and hence management's explanation, as per Clause 49(IV)(B) of the Listing Agreement, is not required.

#### 14. Shares/ Convertible Instruments held by Non-Executive Directors

None of the Directors of the Company hold any share or other convertible instrument/ security in the Company.

#### 15. Adoption of Requirements of Clause 49

The Company has complied with all the mandatory requirements of Clause 49.

By Order of the Board of Directors

New Delhi.  
April 9, 2010.

B. Bhushan Deora  
Chairman & Director



## INTEGRATED CAPITAL SERVICES LIMITED

### Directors' Report

Dear Shareholders,

It gives us immense pleasure to present the 17<sup>th</sup> Annual Report and the audited accounts of your Company for the year ended March 31, 2010.

Financial Results

The financial performance of the Company for the year ended March 31, 2010 is summarized below:

Rs., Lacs

Particulars	Standalone		Consolidated	
	2009-10	2008-09	2009-10	2008-09
Income from Operation	94.48	157.13	159.28	196.21
Other Income	62.56	29.16	66.98	29.19
Total Expenditure	94.87	94.31	138.57	42.01
Interest	-	0.13	-	0.13
Depreciation	2.31	3.48	8.02	4.57
Net Profit	41.33	61.20	55.95	68.17
Paid up Equity Share Capital	355.50	335.00	355.50	335.00
Reserves (excluding revaluation)	-	10.38	-	17.35
Earning Per Share, in Rs.	1.18	1.83	1.59	2.04

#### Results of Operations

During the year under review, your Company rendered advisory and consulting services in areas, amongst others, mergers and acquisition and reconstruction of businesses.

Turnover for the year was Rs. 157.04 Lacs against Rs. 186.29 Lacs in the previous year. On the other hand, consolidated turnover has increased from Rs. 225.40 Lacs in the previous year to Rs. 226.26 Lacs in the current year. During the year, your Company further set out to consolidate its activities and continues its efforts to increase its presence in areas of operations.

#### Begbies Global Network (BGN)

During the year, your Company joined, Begbies Global Network, a U.K. based global network of independent professionals providing advice and services to declining businesses & their stakeholders.

BGN's members offer "one stop shop" for their cost effective, local market centric restructuring services.

#### Preferential Issue of Equity Shares

As approved in the last Annual General Meeting, 2,05,000 equity shares of your Company were allotted on preferential basis at a price of Rs. 30/- per share, to persons other than promoter. The said shares have since been listed at the DSE, ASE, JSE and MSE. The funds raised by the Company were utilised for the intended purposes.

#### Management's Discussion and Analysis Report

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

#### Subsidiary Company/Joint Ventures

##### 100% Subsidiary company – RAAS e Solutions Private Limited

RAAS e Solutions Private Limited (RAAS) is engaged in the business of providing financial accounting services, on an outsourced basis to clients within and outside India. RAAS has successfully developed processes for systematic work flow to carry out remote access accounting and the work flow is customized to suit client requirements.

##### 100% Subsidiary company - Green Infra Profiles Pvt. Ltd.

During the year, the Company promoted Green Infra Profiles Pvt. Ltd. as a 100% Subsidiary company to invest in applications in Green Technology.

#### Joint Ventures

##### KW Publishers Private Limited

KW Publishers Private Limited is a joint venture with 40 % investment in the equity of the Company.

KW Publishers Private Limited is engaged in publishing and distribution of books on subjects of Defence, Strategic Studies and International Affairs.

##### Sun Links Limited

Sun Links Limited is a joint venture company set up in the U.K. through 50% equity participation.

Sun Links has commenced business in providing consulting services in commercial transactions.

## INTEGRATED CAPITAL SERVICES LIMITED



### Fixed Deposits

The Company has not accepted any fixed deposit during the year.

### Directors

Pursuant to the provisions of Section 256 of the Companies Act, 1956 and Article 104 of the Articles of Association of the Company, Mr. Ambarish Chatterjee retires by rotation and being eligible, offers himself for reappointment.

Ms. Sushmaa Chhabra resigned as Director and Company Secretary w.e.f. May 31, 2009.

Pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 92 of the Articles of Association of the Company, Mr. H.K. Chadha and Mr. Arun Deora were appointed as Additional Directors with effect from October 9, 2009 and they hold office up to the date of the ensuing Annual General Meeting. The Company has received notice in writing from a members along with Rs. 500/- proposing the candidatures of Mr. H.K Chadha & Mr. Arun Deora for the office of Directors of the Company, liable to retire by rotation.

Brief resume of Mr. H.K. Chadha and Mr. Arun Deora, nature of their expertise in specific functional areas and number of companies in which he holds directorships and memberships/chairmanships of Board Committees, as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges in India, are provided in Report on Corporate Governance forming part of the Annual Report.

### Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;
- (ii) the 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, 2010 and of the profit of the Company for the year ended on that date;
- (iii) the 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
- (iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

### Auditors and Auditors' Report

During the year, M/s. Anshu Agarwal & Associates, Chartered Accountants, resigned as auditors of the Company, as the firm was not peer reviewed by the Peer Review Board set up by the Institute of Chartered Accountants of India. In their place, M/s. Sandeep Varshney & Associates, Chartered Accountants, were appointed as Auditors in the general meeting of the Company held on November 20, 2009.

M/s. Sandeep Varshney & Associates, Chartered Accountants, who hold office as Auditors of the Company up to the conclusion of ensuing Annual General Meeting of the Company, have intimated the Company about their willingness to be appointed as Auditors of the Company. The Company has received letter from M/s. Sandeep Varshney & Associates, Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such appointment within the meaning of Section 226 of the said Act.

### Particulars of Employees

There is no employee who was employed throughout the year or for part of the year whose particulars are required to be given in terms of Clause 217(2A) of the Companies Act, 1956.

### Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Due to non applicability of the provisions relating to conservation of energy and technical absorption, no particulars are required to be disclosed in this Report.

Foreign Exchange Earnings and Outgo:	Rs., Lacs
Foreign Exchange Earned	9.91
Foreign Exchange Used	5.12

### Corporate Governance

Your Company is committed to maintain the highest standards of Corporate Governance. The Directors adhere to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and have implemented all the stipulations prescribed. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The requisite Certificate from the Auditors of the Company, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is annexed to this Report.

### Acknowledgement

The Directors would like to express their appreciation for the continued confidence reposed in them by the shareholders of the Company and look forward to their continued support.

For and on behalf of the Board of Directors

Place: New Delhi.  
Date: April 9, 2010.

B. Bhushan Deora  
Chairman & Director





## INTEGRATED CAPITAL SERVICES LIMITED

Sandeep Varshney & Associates

To the Members,  
Integrated Capital Services Limited

We have examined the compliance of conditions of Corporate Governance by Integrated Capital Services Limited, for the year ended on March 31 2010, 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 implementation 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 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.

Sabzi Mandi, Anoop Shahar  
District Bulandshahar  
Uttar Pradesh - 202390  
Camp: New Delhi

Sandeep Varshney & Associates  
Chartered Accountants  
By the hand of

Sandeep Kumar Gupta  
Proprietor  
Membership No. 092329

April 9, 2010

### Management Discussion and Analysis

#### Market Overview

The recessionary economic conditions have given way to recovery trends with growing focus on core areas and divestments of struggling and non-core assets. Newer approaches are being identified to meet the pressures of financial and commercial markets and meeting stakeholders' expectations while addressing cash and capital constraints. Our market Restructuring Practice help address challenges in evolving and implementing financial and organizational solutions, which are customized to economic conditions.

#### Opportunities and Threats

Long term growth strategies call for innovative business models including business and debt restructuring. Key areas of business planning, based upon capital strategies and funding structures, will always remain relevant.

Staying ahead in recovery calls for keeping fit and being alert to new opportunities. Dynamic financial and organisational solutions are able to cater to changing conditions within which the businesses operate.

The Company targets to work for clients in areas of financial restructuring and in situations where growth can be achieved through strategic acquisitions and expansion in other markets.

The slow pace of turnaround effects the overall performance. Transaction business is expected to pick up as resources consolidate.

#### Segment-wise or product-wise performance

The Company operates in a single segment of Business Advisory and Consulting Services, and therefore, there are no separate segment wise details to be provided.

#### Internal control systems and their adequacy

The Company has adequate internal control systems commensurate with the size and nature of its operations.

#### IFRS Complied Accounts

In addition to annual accounts prepared in accordance with Indian GAAP, the Company has prepared its annual accounts for the year ended March 31, 2010 in accordance with International Financial Accounting Standards (IFRS), as prescribed by the International Accounting Standards Board. IFRS complied accounts of the Company for the year ended March 31, 2010 are available on the website of the Company-[www.raas.co.in](http://www.raas.co.in).



## INTEGRATED CAPITAL SERVICES LIMITED

### CONSOLIDATED AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF INTEGRATED CAPITAL SERVICES LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INTEGRATED CAPITAL SERVICES LIMITED AND ITS SUBSIDIARIES

1. We have audited the attached Consolidated Balance Sheet of Integrated Capital Services Limited (the Company) and its subsidiaries as at March 31, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiaries whose consolidated financial statements reflect total assets of Rs. 16,936,463.68 (Rs. 841,290.08) as at March 31, 2010 and total revenue of Rs. 39,10,862.82 (Rs. 6,488,110.95) for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, 'Consolidated Financial Statements' and Accounting Standard (AS) 13 'Accounting for Investments' issued by the Institute of Chartered Accountants of India.
5. On the basis of the information and explanations given to us, and on the consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiaries, in our opinion the consolidated financial statements together with accounting policies and notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) In case of the Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiaries as at March 31, 2010;
  - ii) In case of the Consolidated Profit and Loss Account, of the profit earned by the Company and its subsidiaries for the year ended on that date; and  
In the case of the Consolidated Cash Flow Statement, of the cash flows of the Company and its subsidiaries for the year ended on that date.

Sabzi Mandi, Anoop Shahar  
District Bulandshahar  
Uttar Pradesh - 202390  
Camp: New Delhi

Sandeep Varshney & Associates  
Chartered Accountants  
By the hand of

Sandeep Kumar Gupta  
Proprietor  
Membership No. 092329  
Firm Regn. No. 513271C

April 9, 2010

**INTEGRATED CAPITAL SERVICES LIMITED**



**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010**

	Schedules	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
<b>SOURCES OF FUNDS</b>			
Shareholders' fund			
Share capital	1	35,550,000.00	33,500,000.00
Reserves and surplus	2	11,397,584.55	1,734,867.14
Deferred tax liability		276,821.50	153,599.57
		<u>47,224,406.05</u>	<u>35,388,466.71</u>
<b>APPLICATION OF FUNDS</b>			
Fixed assets			
Gross block		18,764,158.00	3,704,824.00
Less: Accumulated depreciation		<u>1,019,626.51</u>	<u>546,393.00</u>
Net block	3	17,744,531.49	3,158,431.00
Advance for purchase of flats		11,500,000.00	11,500,000.00
Investments	4	809,483.43	240,000.00
Current assets, loans and advances			
Stock in trade		-	141,743.45
Sundry debtors	5	1,649,242.00	603,891.00
Cash and bank balances	6	449,911.99	2,999,022.02
Loans and advances	7	<u>21,792,670.67</u>	<u>18,833,375.79</u>
		23,891,824.66	22,578,032.26
Less:			
Current liabilities and provisions	8	<u>6,726,041.53</u>	<u>2,087,996.55</u>
Net current assets		17,165,783.13	20,490,035.71
Miscellaneous expenditure (to the extent not written off or adjusted)		<u>4,608.00</u>	-
		<u>47,224,406.05</u>	<u>35,388,466.71</u>
ACCOUNTING POLICIES	14		
NOTES TO ACCOUNTS	15		

This is the Consolidated Balance Sheet referred in our report of even date addressed to the members of Integrated Capital Services Limited.

The schedules referred above form an integral part of the Consolidated Balance Sheet.

Sabzi Mandi, Anoop Shahar  
Distt. Bulandshahar  
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Camp:New Delhi

Sandeep Varshney & Associates  
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By the hand of

Sajeve Deora  
Managing Director

Sandeep Chandra  
Director

April 09, 2010

Sandeep Kumar Gupta  
Proprietor  
Membership no. 092329

Saurabh Taneja  
Company Secretary



**INTEGRATED CAPITAL SERVICES LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010**

	Schedules	For the year ended March 31, 2010 Rs.	For the year ended March 31, 2009 Rs.
<b>INCOME</b>			
Consulting and Advisory		14,913,588.00	18,796,602.00
Other income	9	6,698,369.01	3,171,466.07
Sale of shares		1,014,441.79	824,031.39
(Decrease)/increase in stock of shares	10	(141,743.45)	117,213.45
		<u>22,484,655.35</u>	<u>22,909,312.91</u>
<b>EXPENDITURE</b>			
Purchase of shares		664,658.55	1,005,474.76
Personnel and consultant	11	8,093,135.69	7,003,034.86
Administrative and others	12	4,823,794.73	4,048,877.21
Sitting fees		40,000.00	120,000.00
Finance	13	7,351.68	25,286.42
Goodwill amortised		-	104,661.77
Preliminary expenses written off		1,152.00	-
Depreciation		801,754.51	352,194.00
		<u>14,431,847.16</u>	<u>12,659,529.02</u>
PROFIT DURING THE YEAR		8,052,808.19	10,249,783.89
Less: Prior year adjustment		(84,834.00)	(19,351.29)
PROFIT BEFORE TAX		<u>7,967,974.19</u>	<u>10,230,432.60</u>
Less: Provision for taxation			
Income tax		(2,248,534.86)	(3,078,564.00)
Deferred tax liability		(123,221.92)	(153,599.57)
Fringe benefit tax		-	(172,900.00)
Wealth tax		-	(7,881.00)
PROFIT AFTER TAX		<u>5,596,217.41</u>	<u>6,817,488.03</u>
Profit/(loss) brought forward from previous year		<u>234,867.14</u>	<u>(6,582,620.89)</u>
SURPLUS CARRIED OVER TO RESERVES AND SURPLUS		<u>5,831,084.55</u>	<u>234,867.14</u>
ACCOUNTING POLICIES	14		
NOTES TO ACCOUNTS	15		

This is the Consolidated Profit and Loss Account referred in our report of even date addressed to the members of Integrated Capital Services Limited.

The schedules referred above form an integral part of the Consolidated Profit and Loss Account.

Sabzi Mandi, Anoop Shahar  
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By the hand of

Sajeve Deora  
Managing Director

Sandeep Chandra  
Director

April 09, 2010

Sandeep Kumar Gupta  
Proprietor  
Membership no. 092329

Saurabh Taneja  
Company Secretary

**INTEGRATED CAPITAL SERVICES LIMITED**



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010**

Particulars	For the year ended March 31, 2010 Rs.	For the year ended March 31, 2009 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax and Extra -Ordinary Items	7,967,974.19	10,230,432.60
Adjustments for		
- Depreciation on fixed assets	801,754.51	546,393.00
- Adjustment of opening reserve and surplus	-	(6,582,620.89)
- Adjustment of miscellaneous expenditure	(4,608.00)	-
- Foreign exchange fluctuation	15,870.85	-
- Profit on sale of Car	(102,522.00)	-
- Loss on sale of Motor Cycle	20,074.00	-
- Goodwill amortised	-	104,661.77
- Bank charges and interest	7,351.68	25,286.42
- Interest on FDR and others	(6,130,542.18)	(2,795,459.07)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>2,575,353.05</b>	<b>1,528,693.83</b>
(Increase)/Decrease in inventories	141,743.45	(141,743.45)
Increase in receivables	(1,045,351.00)	(603,891.00)
Increase in loans and advances	(2,959,294.88)	(18,833,375.79)
Increase in current liabilities and provisions	4,638,044.98	2,087,996.55
<b>CASH GENERATED FROM OPERATIONS</b>	<b>3,350,495.60</b>	<b>(15,962,319.86)</b>
Less: Income tax paid	(2,248,534.86)	(3,259,345.00)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>1,101,960.74</b>	<b>(19,221,664.86)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets	(17,353,407.00)	(3,704,824.00)
Sale of fixed assets	2,048,000.00	-
Increase in investments	(585,354.28)	(240,000.00)
Interest on FDR and others	6,130,542.18	2,795,459.07
Goodwill purchased	-	(104,661.77)
Advance for purchase of Flats	-	(11,500,000.00)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>(9,760,219.10)</b>	<b>(12,754,026.70)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Issue of share capital	2,050,000.00	33,500,000.00
Share premium	4,066,500.00	1,500,000.00
Bank charges and interest	(7,351.68)	(25,286.42)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>6,109,148.32</b>	<b>34,974,713.58</b>
<b>INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)</b>	<b>(2,549,110.04)</b>	<b>2,999,022.02</b>
OPENING CASH AND CASH EQUIVALENT	2,999,022.02	-
CLOSING CASH AND CASH EQUIVALENT	449,911.99	2,999,022.02

Note: Figures in brackets represents cash outflows.

**Auditors Report**

We have examined the Consolidated Cash Flow Statement of Integrated Capital Services Limited for the year ended 31st March,2010. The statement prepared by the company is in accordance with the requirement of Clause 32 of the Listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet covered by our Report to the members of the Company in terms of our attached Report as of even date.

Sabzi Mandi,Anoop Shahar  
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Uttar Pradesh-202390  
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Sandeep Varshney & Associates  
Chartered Accountants  
By the hand of

Sajeve Deora  
Managing Director

Sandeep Chandra  
Director

April 09, 2010

Sandeep Kumar Gupta  
Proprietor  
Membership no. 092329

Saurabh Taneja  
Company Secretary



## INTEGRATED CAPITAL SERVICES LIMITED

### SCHEDULES

	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.								
<b>1. SHARE CAPITAL</b>										
<b>Authorised</b>										
4,000,000 (4,000,000) equity shares of Rs. 10.00 (Rs. 10.00) each	40,000,000.00	40,000,000.00								
<b>Issued, subscribed and paid up</b>										
3,555,000 (3,350,000) equity shares of Rs. 10.00 (Rs. 10.00) each fully paid up	<u>35,550,000.00</u>	<u>33,500,000.00</u>								
<b>2. RESERVES AND SURPLUS</b>										
Share premium	5,566,500.00	1,500,000.00								
Profit and Loss Account	<u>5,831,084.55</u>	<u>234,867.14</u>								
	<u>11,397,584.55</u>	<u>1,734,867.14</u>								
<b>3. FIXED ASSETS</b>										
	<b>GROSS BLOCK</b>	<b>DEPRECIATION</b>	<b>NET BLOCK</b>							
Particulars	As at April 1, 2009 Rs.	Additions during the year Rs.	Disposal during the year Rs.	As at March 31, 2010 Rs.	Upto March 31, 2009 Rs.	For the year Rs.	Depreciation written back Rs.	Upto March 31, 2010 Rs.	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
Computers	520,290.00	204,000.00	30,000.00	694,290.00	70,444.00	101,265.00	-	171,709.00	522,581.00	449,846.00
Furniture and fixtures	39,076.00	199,294.00	-	238,370.00	888.00	10,420.00	-	11,308.00	227,062.00	38,188.00
Office equipments	88,554.00	354,588.00	-	443,142.00	20,042.00	37,252.00	-	57,294.00	385,848.00	68,512.00
Cars	2,956,193.00	679,137.00	2,264,073.00	1,371,257.00	354,308.00	129,539.00	328,521.00	155,326.00	1,215,931.00	2,601,885.00
Books	100,711.00	-	-	100,711.00	100,711.00	-	-	100,711.00	-	-
Building	-	15,916,388.00	-	15,916,388.00	-	523,278.51	-	523,278.51	15,393,109.49	-
<b>Total</b>	<b>3,704,824.00</b>	<b>17,353,407.00</b>	<b>2,294,073.00</b>	<b>18,764,158.00</b>	<b>546,393.00</b>	<b>801,754.51</b>	<b>328,521.00</b>	<b>1,019,626.51</b>	<b>17,744,531.49</b>	<b>3,158,431.00</b>
Previous year	3,363,141.00	341,683.00	-	3,704,824.00	194,199.00	352,194.00	-	546,393.00	8,158,431.00	3,168,942.00
<b>4. INVESTMENTS</b>										
<b>In unquoted equity shares</b>										
KW Publishers Private Limited										
- Investment in equity shares							240,000.00		240,000.00	
- Share in Reserves							398,260.48			-
Sunlinks Ltd.										
- Investment in equity shares							136,065.60			-
- Share in Reserves							35,157.35			-
							<u>809,483.43</u>		<u>240,000.00</u>	
<b>5. SUNDRY DEBTORS</b>										
(Unsecured and considered good)										
Outstanding for a period exceeding six months							-		-	
Other debts							1,649,242.00		603,891.00	
							<u>1,649,242.00</u>		<u>603,891.00</u>	
<b>6. CASH AND BANK BALANCES</b>										
Cash in hand							231.69		17,699.69	
Bank balances maintained with scheduled banks										
- in current accounts							449,680.30		189,839.33	
- in deposit accounts							-		2,791,483.00	
							<u>449,911.99</u>		<u>2,999,022.02</u>	
<b>7. LOANS AND ADVANCES</b>										
(Unsecured and considered good)										
Loans - Others							18,500,000.00		15,400,000.00	
Advances recoverable in cash or in kind or for which value has to be received							78,246.83		1,282,864.57	
Security deposits							790,000.00		1,551,000.00	
Advance tax							2,199,423.84		591,324.47	
Interest accrued but not due							225,000.00		8,186.75	
							<u>21,792,670.67</u>		<u>18,833,375.79</u>	

## INTEGRATED CAPITAL SERVICES LIMITED



### SCHEDULES

	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
<b>8. CURRENT LIABILITIES AND PROVISIONS</b>		
Current liabilities		
Sundry creditors for goods and services	742,625.60	153,110.50
Salaries payable	294,950.00	15,000.00
Other liabilities	3,693,962.93	1,604,140.43
Provisions		
Income tax	1,882,203.00	234,764.62
Fringe benefit tax	-	26,300.00
Gratuity	112,300.00	46,800.00
Wealth tax	-	7,881.00
	<u>6,726,041.53</u>	<u>2,087,996.55</u>
	For the Year ended March 31, 2010 Rs.	For the Year ended March 31, 2009 Rs.
<b>9. OTHER INCOME</b>		
Interest on		
- Fixed deposits	71,975.18	135,123.07
- Others	6,058,567.00	2,660,336.00
Others	134,409.00	376,007.00
Share of profit in associate companies	433,417.83	-
	<u>6,698,369.01</u>	<u>3,171,466.07</u>
<b>10. INCREASE IN STOCK OF SHARES</b>		
Opening stock of shares	141,743.45	24,530.00
Closing stock of shares	-	141,743.45
	<u>(141,743.45)</u>	<u>117,213.45</u>
<b>11. PERSONNEL AND CONSULTANT</b>		
Salaries and allowances	2,848,791.00	1,878,990.00
Staff welfare	99,595.20	93,896.00
Bonus	23,333.00	40,000.00
Gratuity	65,500.00	46,800.00
Ex-gratia	14,500.00	-
Professional Fees	5,041,416.49	4,943,348.86
	<u>8,093,135.69</u>	<u>7,003,034.86</u>
<b>12. ADMINISTRATIVE AND OTHERS</b>		
Travelling and conveyance	1,454,169.15	1,479,402.11
Rent	1,170,000.00	283,871.00
Business promotion	240,936.26	300,499.58
Postage and telephone	278,518.53	409,406.39
Listing and processing fees	40,600.00	88,583.00
Legal and filing fees	1,237.00	78,327.00
Auditor's remuneration	38,000.00	50,000.00
Petrol and maintenance	147,429.86	177,264.00
Advertisement and publicity	43,758.00	28,782.87
Others	1,409,145.93	1,152,741.26
	<u>4,823,794.73</u>	<u>4,048,877.21</u>
<b>13. FINANCE</b>		
Bank charges	7,351.68	12,022.42
Bank interest	-	13,264.00
	<u>7,351.68</u>	<u>25,286.42</u>



14. ACCOUNTING POLICIES

a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of Integrated Capital Services Limited and its subsidiary companies (the Group) are prepared in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India, the provisions of Companies Act, 1956 and guidelines issued by the Securities Exchange Board of India. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) USE OF ESTIMATES

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

c) PRINCIPLES OF CONSOLIDATION

The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as of the Company. The consolidated financial statements have been prepared on the following basis:

- The consolidated financial statements have been prepared in accordance with Accounting Standard-21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India, to the extent possible in the same format as that adopted by the parent Company for its separate financial statements by regrouping, recasting or rearranging figures wherever considered necessary.
- The consolidation of the financial statements of the parent Company and its subsidiaries is done to the extent possible on line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances, transactions and unrealized profits or losses have been fully eliminated in the process of consolidation.

The excess of cost to the Company of its investment in the subsidiary over its share of the equity of the subsidiary, at the date on which the investment in the subsidiary was made, is recognised as 'Goodwill' being an asset in the Consolidated Financial Statements.

- Goodwill arising on consolidation is fully amortised in the year of arising of the same.
- The last audited financial statements of the associate company are used in the consolidation. Financial statements of all associate companies have been consolidated based on equity method as per Accounting Standard-23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

d) FIXED ASSETS

Fixed assets are stated at cost and other incidental expenses, less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable cost incurred in bringing the asset to its working condition for its intended use.

e) IMPAIRMENT OF ASSETS

Consideration is given at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, the recoverable value of assets is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount, the latter being greater of net selling price and value in use.

f) DEPRECIATION

Depreciation on fixed assets is charged on the straight line method at rates as specified in Schedule XIV of the Companies Act, 1956. Depreciation on the acquisition/purchase of assets during the year has been provided on pro-rata basis according to the period each asset was put to use during the year.

In respect of an asset for which impairment loss is recognised, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

g) RECOGNITION OF REVENUE AND EXPENDITURE

- Income and expenditure are accounted on accrual basis.
- Dividend on shares and interest on debentures earned are accounted in the year of receipt.

h) STOCK IN TRADE

Shares and other securities held principally for trading in near future are stated as stock in trade and are valued at lower of cost or market price.

i) INVESTMENTS

Investment in subsidiaries and other companies are stated at cost and provision is made to recognize any decline, other than temporary, in the value of such investments including the Company's share in the reserves of other Companies to the extent of its holding.

j) FOREIGN CURRENCY TRANSLATIONS

Revenue and expenditure items, current assets, current liabilities, if any, appearing/outstanding at the year end, are converted into equivalent Indian Rupees at the exchange rate prevailing at the year end except in cases where actual amount has been ascertained by the time of finalization of accounts.

k) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are accounted at the exchange rate prevailing at the time of transaction. Gain/loss arising out of fluctuation in the exchange rate (difference between exchange rate at the time of transaction and at the time of payment/receipt) is accounted in exchange fluctuation account.

l) TAXES ON INCOME

Income taxes consist of current taxes and changes in deferred tax assets and liabilities. Current income tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities in accordance with the applicable tax rates and laws.



## INTEGRATED CAPITAL SERVICES LIMITED



Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the financial statements, carrying amounts of existing assets and liabilities and their respective tax bases and carry forwards of operating loss. Deferred tax assets and liabilities are measured on the timing differences applying the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Changes in deferred tax assets and liabilities between one Balance Sheet date and the next, are recognised in the Profit and Loss Account in the year of change. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the Profit and Loss Account in the year of change.

Deferred tax assets are recognized only if there is reasonable certainty that they will be realized by way of future taxable income. Deferred tax assets related to unabsorbed depreciation and carry forward losses are recognised only to the extent that there is virtual certainty of realisation. Deferred tax assets are reviewed for appropriateness of their carrying amounts at each Balance Sheet date.

m) **EARNINGS PER SHARE**

In determining earnings per share, the Company considers the net profit after tax for the year attributable to equity shareholders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds available, had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

n) **CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

o) **PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provision involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

p) **RETIREMENT BENEFITS**

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity covering eligible employees on the basis of actuarial valuation as carried out by an Actuary. The liability is unfunded.

Liability in respect of leave encashment is accounted for at the time of termination of service.

15. **NOTES TO ACCOUNTS**

- i) a) The Consolidated Financial Statements include the accounts of the Intergrated Capital Services Ltd. (Holding Company), the subsidiaries and associate companies (as listed below). The subsidiaries have been defined as that entity in which the holding company owns directly or indirectly more than one half of the voting power or otherwise has power to exercise control over the composition of the Board of Directors of such entities. The financial statements of subsidiaries are consolidated from the date on which effective control is acquired. The associates of the holding company have been defined as that entity which is neither the subsidiary nor the joint venture and meeting the definition criteria as laid down in Accounting Standard-23 on "Accounting for Investments in Associates in Consolidated Financial Statements" issued by Institute of Chartered Accountants of India.

Detail of subsidiaries and associates are as follows:

Name of companies	Relation with parent company	Country of incorporation	Proportion of ownership interest
RAAS e Solutions Pvt. Ltd. (Acquired on April 11, 2008)	Subsidiary	India	100%
Green Infra Profiles Pvt. Ltd. (Incorporated on July 1, 2009)	Subsidiary	India	100%
KW Publishers Pvt. Ltd (Acquired on April 17, 2007)	Associate	India	40%
Sun Links Limited (Incorporated on January 15, 2009)	Associate	U.K.	50%

- b) The Consolidated Financial Statements are prepared using uniform accounting policies for the transactions and other events in similar circumstances.

	For the year ended March 31, 2010 Rs.	For the year ended March 31, 2009 Rs.
ii) Payment to directors Sitting fees	40,000.00	120,000.00
iii) Payment to Auditors Audit fees	38,000.00	55,000.00



## INTEGRATED CAPITAL SERVICES LIMITED

- iv) In the opinion of the management, the realizable value of all current assets, loan and advances in the ordinary course of business will not be less than their value stated in the Balance Sheet.
- v) There is no amount payable to small scale industrial undertakings to whom amount outstanding for more than 30 days, where such dues exceeds Rs. 1 (One) lac.
- vi) The holding company had initiated arbitration proceedings against its clients in accordance with the rules and regulations of the National Stock Exchange of India Limited in respect of trades conducted by the Company for such clients at trading counter of the aforesaid stock exchange. The learned Arbitrators issued awards short of the claimed amounts by Rs. 22.10 lacs (Rs.22.10 lacs) (excluding interest demanded by the Company). The Company's appeals are pending before the Courts.
- vii) The holding company in its meeting of Board of Directors held June 09, 2009, allotted 205,000 equity shares of the face value of Rs. 10 per equity share to persons other than promoters on preferential basis at premium of Rs. 20 per equity share, in accordance with the provisions of Chapter XIII on preferential issues of securities as prescribed in Securities Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000. The aforesaid funds have been utilized for the intended purposes i.e., acquisition of business infrastructure.
- viii) During the year, the holding company subscribed to 10,000 equity shares of face value Rs. 10 each fully paid up in Green Infra Profiles Private Limited for Rs. 1 lac. Accordingly, Green Infra Profiles Private Limited has become a subsidiary of the Company with effect from July 1, 2009. These equity shares are held in the name of the Company.
- ix) Disclosure in respect of Loans and Advances in the nature of loans pursuant to clause 32 of the Listing Agreement:
- Loan of Rs. 15,057,000 (Nil) is recoverable from subsidiary company, Green Infra Profiles Pvt. Ltd., which was advanced during the year, and the maximum amount outstanding during the year was Rs. 15,825,000 (Nil).
  - No loans have been given (other than loans to employees), wherein there is no repayment schedule or repayment is beyond seven years; and
  - No investment has been made by the loanee in the shares of parent company.
- x) The holding company deals only in one segment, Consulting and Advisory services, hence, no separate information for segment wise disclosure is required.
- xi) Earning Per Share (EPS)
- EPS is calculated by dividing the profit attributable to the equity shareholders by the weighted average of the number of equity shares outstanding during the year. Numbers used for calculating basic and diluted earnings per equity share are as stated below:

	For the year ended March 31, 2010 Rs.	For the year ended March 31, 2009 Rs.
a) Net profit available for equity shareholders	5,596,217.41	6,817,488.03
b) Weighted average number of equity shares outstanding for calculation of		
- Basic and diluted	3,516,247	3,331,096
c) Nominal value of per equity share	10.00	10.00
d) Earning per share (a)/(b)		
- Basic and diluted	1.59	2.05

- xii) Additional information pursuant to provisions of Para 3 and 4 of Part II Schedule VI of the Companies Act, 1956

	For the year ended March 31, 2010 Rs.	For the year ended March 31, 2009 Rs.
a) Earnings in foreign exchange Consultancy and Advisory	991,000.00	4,711,831.00
b) Expenditure in foreign exchange Travelling	511,548.38	44,124.00

## INTEGRATED CAPITAL SERVICES LIMITED



- xiii) Related Party Disclosures:  
Pursuant to Accounting Standard (AS18) - "Related Party Disclosure" issued by Institute of Chartered Accountants of India following parties are to be treated as related parties along with their relationships:

**a) Name of related parties and description of relationship**

Holding company

Integrated Capital Services Ltd.

Subsidiary company

RAAS e Solutions Pvt. Ltd.#

Green Infra Profiles Private Ltd.##

# With effect from April 11, 2008

## With effect from July 1, 2009

Associate company

KW Publishers Pvt. Ltd.

Sun Links Limited

Enterprise over which key management personnel exercises control

Deora Associates Pvt. Ltd.

Key management personnel

B. Bhushan Deora

Sajeve Deora

Ambarish Chatterjee

Sushma Chhabra

Sandeep Chandra\*

Arun Deora\*\*

Harinder Kumar Chadha\*\*

\* Appointed on January 9, 2009

\*\* Appointed on October 9, 2009

# Held office upto May 31, 2009

Chairman & Director

Managing Director

Director

Director cum Company Secretary

Director

Director

\*

Note : The above parties have been identified by the management

**b) Transactions with related parties during the year:**

Nature of transactions	Related party	For the year ended March 31, 2010 Rs.	For the year ended March 31, 2009 Rs.
Purchase of books	KW Publishers Pvt. Ltd.	143,813.00	192,290.50
Loan taken and paid back to director	Ambarish Chatterjee	400,000.00	-
Loan taken and paid back to director	Sajeve Deora	525,010.00	-
Investment made during the year	Sun Links Limited	151,936.45	-
Pre-incorporation expenses receivable from associate	Sun Links Limited	11,865.19	-
Advance repaid by associate	KW Publishers Pvt. Ltd.	400,000.00	-
Sitting fees paid	Maneesh Gupta	-	60,000.00
Sitting fees paid	Ambarish Chatterjee	40,000.00	60,000.00
Salary paid	Sushma Chhabra	103,333.00	555,000.00
Reimbursement of expenses	Sushma Chhabra	16,251.00	130,873.00
Reimbursement of expenses	Maneesh Gupta	-	163,442.00
Reimbursement of expenses	Ambarish Chatterjee	118,979.00	-



## INTEGRATED CAPITAL SERVICES LIMITED

c) Balance outstanding as at March 31, 2010:

Account head	Related party	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
Advances	KW Publishers Pvt. Ltd.	-	400,000.00
Investments	Sun Links Limited	136,065.60	-
Sundry creditors	KW Publishers Pvt. Ltd.	24,202.24	-
Other liabilities	Ambarish Chatterjee	5,210.00	-

xiv) Detail of opening balance and closing balance of equity shares held as stock in trade:

Scrip Name	Opening balance As at April 1, 2009		Closing balance As at March 31, 2010		Market value As at March 31, 2010	
	Qty (Nos.)	Amount Rs.	Qty (Nos.)	Amount Rs.	Qty (Nos.)	Amount Rs.
Artson Engineering Ltd.	3,428	59,133.00	-	-	-	-
Poddar Pigments Ltd.	2,151	38,610.45	-	-	-	-
Vikas WSP Ltd.	5,000	44,000.00	-	-	-	-
	10,579	141,743.45	-	-	-	-

xv) Figures and words in brackets pertain to previous year unless otherwise specified.

xvi) Previous year figures have been regrouped/rearranged and recast, wherever considered necessary.

Signatures to the above schedules which form an integral part of the Balance Sheet and Profit and Loss Account.

New Delhi.  
April 09, 2010

Sajeve Deora  
Managing Director

Sandeep Chandra  
Director

Saurabh Taneja  
Company Secretary