



May 10, 2008

**Address of the Chairman to,
The Members of Integrated Capital Services Limited**

Good Morning Ladies and Gentlemen,

I feel great pleasure in welcoming you all to the 15th Annual General Meeting of your Company. The Annual Report was sent earlier and I trust it is in your hands.

New Promoters and New Management

As you are aware, pursuant to acquisition of shares from the former promoters and Management of your Company, the Management of your Company changed with effect from 25th July, 2007

This change of Management consummated with Open Offer to the shareholders in accordance with the provisions of the Securities Exchange Board of India's (Substantial Acquisition of Shares and Takeovers) Regulation, 1997.

I consider it to be my privilege to address you for the first time.

Review of Operations

The Management of your Company has initiated steps to augment the scope of consulting activities in areas of, (i) Corporate Finance, (ii) Restructuring and Turnaround Management, and (iii) General Management Advisory Services.

During the year under review your Company achieved a Turnover of Rs. 139.50 Lacs against Rs. 27.21 Lacs in the earlier year.

Net profit of your Company for the year under review increased to Rs. 79.39 Lacs against Rs. 14.65 Lacs during the earlier year.

Earnings per Share of your Company for the year under review increased to Rs. 2.44 per share against Rs. 0.45 per share during the earlier year.

Preferential Issue of Equity Shares

The purchase of shares by the Management of your Company from the former Promoters combined with the shares purchased pursuant to Offer under Takeover Code, reduced the shares held by Non-Promoter Public Shareholders to 22.95% of the issued capital of your Company. This reduced holding is below the statutory minimum of 25% prescribed for continuous listing of your Company's securities on the Stock Exchanges in terms of the Listing Agreements executed between your Company and the said Exchanges.

The Promoters of your Company had given an undertaking to the Stock Exchanges at the time of closing of Offer under Takeover Code that the level of Non-Promoter Public Shareholding will be raised to at least 25% of issued capital of your Company.

In consonance with the said Undertaking and to augment long term resources of your Company, it is proposed to issue One Lac fully paid-up equity shares of your Company of a face value of



Rs. 10 each on preferential basis, and at a premium of Rs. 15 per share. Your Company will thus receive an aggregate amount of Rs. 25,00,000.

The resolution in this regard is being placed for consideration.

Diversification

Your Company acquired a strategic stake of 40% of equity of KW Publishers Pvt. Ltd., a publishing house engaged in publishing in fields of Higher Academics and Defense and Strategic Studies.

The Accounts of KW Publishers are not consolidated with the accounts of your Company.

Your Company initiated steps to diversify in areas aligned to its activities. Pursuant to acquisition of 100% equity shares of RAAS e Solutions Private Limited in April this year, RAAS commenced rendering accounting services as an outsourced agent to 1 Indian company and 2 foreign controlled companies.

The Accounts of RAAS will be consolidated with the accounts of your Company.

Acknowledgements

I have special words to acknowledge the collective efforts of Company's management team and employees working to realize its goals.

I am grateful to all our shareholders for their continued patronage, confidence and interest in our Company.

I would like to assure you that in the current year we will direct our efforts to consolidate the current activities.

Thank you, and have a good day.

B. Bhushan Deora