



May 23, 2009

**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 16th Annual General Meeting of your Company. The Annual Report was sent earlier and I trust it is in your hands.

Market Overview

The global meltdown precipitated by the sub-prime crisis led to liquidity crunch, and had its toll globally in a cross section of businesses. However, unprecedented collaborative action by major economies to bring the international economic conditions on rails are expected to bear fruits over the coming years.

The impact of recession faced by US and the European countries is evident on the Indian economy.

As in all industries, the financial / advisory services industry has been hit hard.

Review 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.

The Company achieved a Turnover of Rs. 189.98 Lacs against Rs. 137.77 Lacs in the previous year.

Profit before tax of your Company for the year under review increased to Rs. 90.88 Lacs against Rs. 79.69 Lacs during the previous year. After accounting payment of income tax of Rs. 29.68 Lacs, which was Nil in the previous year, the Net Profit was Rs. 61.20 Lacs as against Rs. 79.39 Lacs during the previous year.

The Consolidated Turnover of the Company, alongwith its subsidiary, RAAS e Solutions Private Limited was Rs.229.09 Lacs and the Net Profit was Rs. 68.17 Lacs during the year under review. Earnings per Share was Rs. 1.98 during the year under review.

Future Prospects

The slowdown is expected to generate opportunities for viable and attractive acquisitions. In the wake of emerging need to focus on core activities, and consolidation of businesses are expected to result in improving synergies between associated / affiliated enterprises.

Business and Debt Restructuring will be the dominant features of any long term growth strategy.



With a view to prevent the perpetration of frauds of the magnitude discovered in the recent past, the Governments and Regulatory Authorities are reviewing the prevailing guidelines, and new requirements will be provided in the near term in order to have greater monitoring of business/es and their operations.

The slower pace of new investments is likely to slow down the growth in Company's business in the current year. The engagements in restructuring advisory and turnaround management are expected to generate higher revenue for the Company.

Preferential Issue of Equity Shares

As approved in the last Annual General Meeting, 1,00,000 equity shares of the Company were allotted on preferential basis at a price of Rs. 25/- per share to person 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.

To acquire business infrastructure and increase the available resources for your Company's operations, it is proposed to issue 2,05,000 fully paid-up equity shares of a face value of Rs. 10/- each on preferential basis, and at a premium of Rs. 20 per share. Your Company will thus receive an aggregate amount of Rs. 61,50,000/-.

The resolution in this regard is being placed for consideration.

Investments

Your Company continues to identify new business and investment opportunities.

The Company has invested in 50% equity capital of Sun Links Limited, a joint venture company set up in the U.K. Sun Links Limited proposes to undertake the businesses of providing consultancy services to businesses having interests in extending their operations/activities in India, to trade in goods and merchandise, to act as general commission/ sales agent and to invest of funds in stocks, securities, and real estate for use of the company.

As mentioned by me at the last AGM, your Company had acquired 100% equity shares of 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 and has successfully developed processes for systematic work flow to carry out remote access accounting and the work flow is customized to suit client requirements.

The Accounts of RAAS have been consolidated with the accounts of your Company.

Your Company has invested in 40% equity capital of KW Publishers Pvt. Ltd., a publishing house engaged in publishing on subjects, amongst others, including, Defense and Strategic Studies, International Affairs and Higher Academics.

The Accounts of KW Publishers are not 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.

Thank you, and have a good day.

B. Bhushan Deora