ICSA (India) Limited

Annual report 2008-09

What if...

A document of unlimited possibilities

Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to know our product portfolio, business logic and direction and comprehend our prospects. This report and other statements – written and oral – that we periodically make are based on our assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'believe', 'estimate', 'expect', 'intend', 'plan', 'project' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realised, although we believe that we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. If known or unknown risks or uncertainties materialise, or if underlying assumptions prove inaccurate, actual results can vary materially from those anticipated, estimated or projected. Readers may bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Contents...

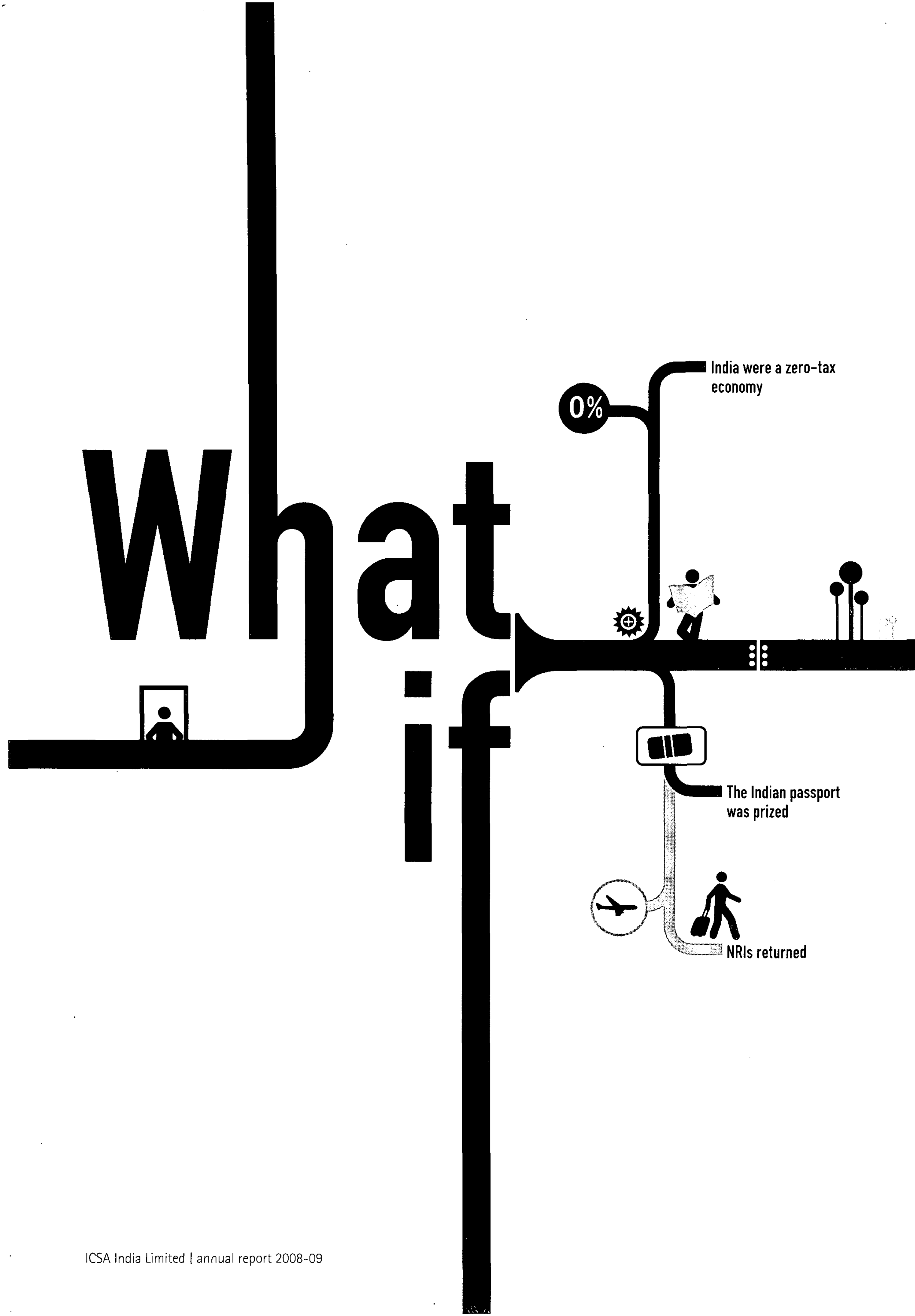
This is not really a corporate annual report. But a national wish list.

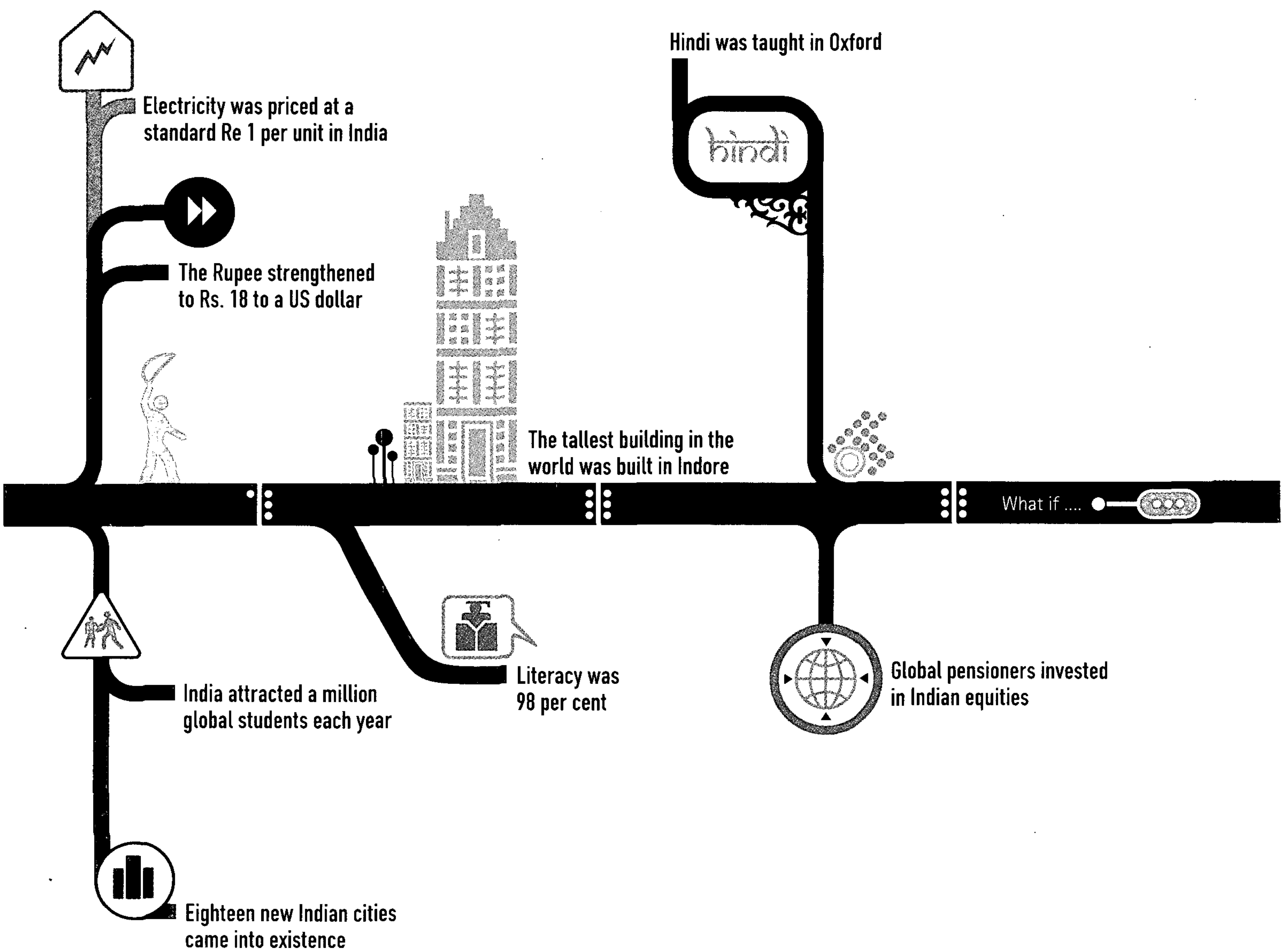
This is not a document on realities. But possibilities.

This is not a document on what is. But what can be.

Inspired by just one line.

What if...


What
if
0%
India were a zero-tax economy
The Indian passport was prized
NRIs returned


Hindi was taught in Oxford
hindi
Electricity was priced at a standard Re 1 per unit in India
The Rupee strengthened to Rs. 18 to a US dollar
The tallest building in the world was built in Indore
What if ....
India attracted a million global students each year
Literacy was 98 per cent
Global pensioners invested in Indian equities
Eighteen new Indian cities came into existence

At ICSA, we believe that all the things that we mentioned on the previous page are a possibility.

ICSA can help

THIS IS HOW.

India expects to add 160,000 MW (cumulative Eleventh and Twelfth Plan figures) over the coming decade. With a projected investment of around Rs. 640,000 crore.

The reality is that India loses more than a fourth of its generated power through distribution losses. If the country can save a little more than half of this, the savings would be around Rs. 100,000 crore to the nation.

ICSA can make this happen. Through embedded software solutions that find application across all touch-points of India's power distribution value chain. Providing real-time data on the volume and nature of losses in India's power distribution. Controlling these losses through remote location management.

What if... one amalgamated a futuristic technology with a legacy business?

Amazing things can happen.

ICSA (India) Limited is proof.

Providing real-time, embedded and high-performance telemetric solutions for critical resource management, audit and control applications.

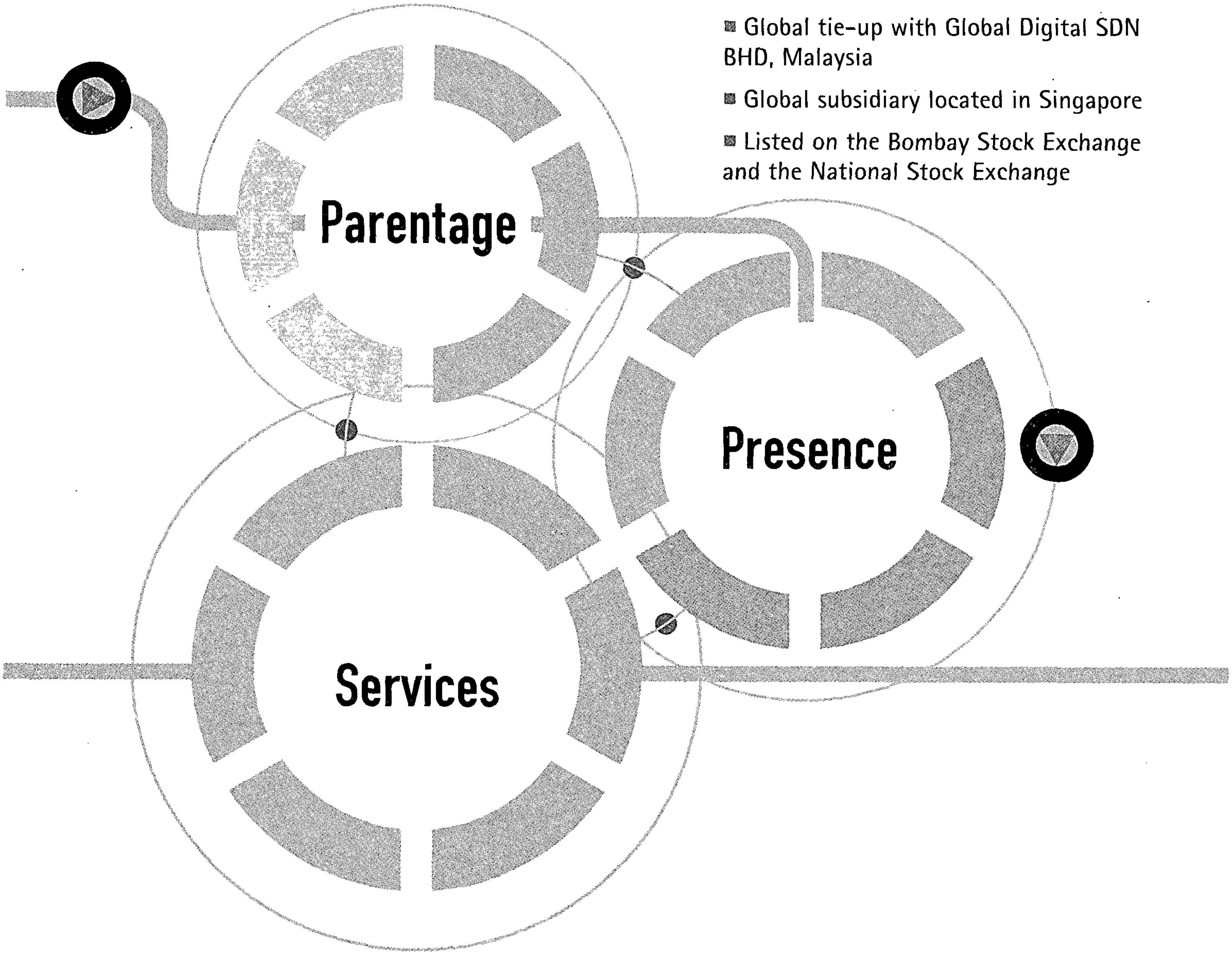
In conventional businesses like power, oil, gas and water utilities.

These are the results.

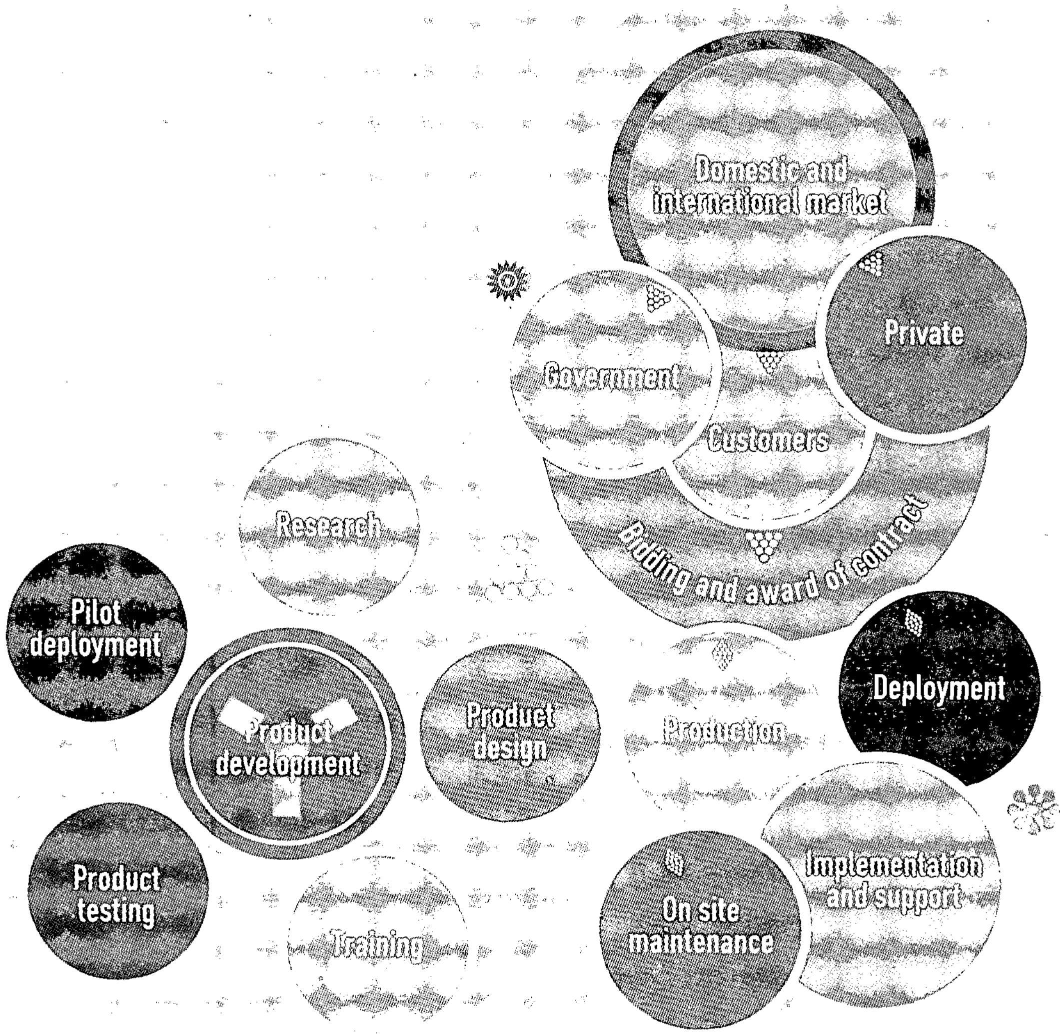
- ICSA was ranked in the Technology Fast 50 India 2008 program for two consecutive years by Deloitte
- ICSA was ranked among the Technology Fast 500 Asia Pacific Programme for two consecutive years by Deloitte
- ICSA topped the "ETIG (Economic Times Intelligence Group) 100 Fastest Growing Small Companies in India"
- ICSA's Chairman and Managing Director was nominated for the *Entrepreneur of the Year* 2008 award by Ernst and Young

- Commenced operation in 1994 as a non-banking financial services company
- Taken over by Mr. G. Bala Reddy in 1998
- Started infrastructure projects from 2000
- From 2004 onwards, the Company began to provide embedded software solutions
- The Company is headed by Mr. G. Bala Reddy as Chairman and Managing Director

- Headquartered in Hyderabad (India); the Company's products enjoy a multi-country presence
- Global tie-up with Global Digital SDN BHD, Malaysia
- Global subsidiary located in Singapore
- Listed on the Bombay Stock Exchange and the National Stock Exchange



- The Company developed innovative products for state electricity boards, useful in energy management, energy audit and control applications; the Company also provides a versatile data acquisition system using diverse communication media like GSM, GPRS, CDMA and PLCC RF among others.
- The Company made significant headway in embedded technologies for the power sector with products like automatic meter reading systems ,substation controllers and distribution transformer controllers, among others.
- The Company developed remote monitoring system, which finds application in sectors like oil and gas and water utilities.



Business model

What we achieved in 2008-09

Financial performance

- Revenue increased 64.07 per cent from Rs. 67,069.24 lakh in 2007-08 to Rs. 110,042.47 lakh in 2008-09
- EBIDTA increased 32.05 per cent from Rs. 18,830.23 lakh in 2007-08 to Rs. 24,865.51 lakh in 2008-09
- Post tax profit surged 42.34 per cent from Rs. 11,114.25 lakh in 2007-08 to Rs. 15,819.94 lakh in 2008-09
- EBIDTA margin moderated 519 basis points from 27.75 per cent in 2007-08 to 22.56 per cent in 2008-09
- PAT margin moderated 203 basis points from 16.38 per cent in 2007-08 to 14.35 per cent in 2008-09

Product development

- Secured patent registration for automatic meter reading apparatus and protector for oil and gas pipelines
- Filed for global patents
- Developed 12 products in the meter segment alone

Post-balance sheet developments (first quarter, 2009-10)

- Total income increased 26.33 per cent from Rs. 24,201 lakh for the quarter ended June 30, 2008 to Rs. 30,573 lakh for the quarter ended June 30, 2009
- Post-tax profit declined 16.96 per cent from Rs. 4,097 lakh for the quarter ended June 30, 2008 to Rs. 3,402 lakh for the quarter ended June 30, 2009

Boardroom developments

- The Company attracted prominent foreign institutional investors like Swiss Finance Corporation, Government of Singapore, Goldman Sachs, and Credit Suisse, among others
- The Company acquired the meter division (Hyderabad) of ECE Limited including machinery, equipment, drawings, designs and data. The acquisition allows ICSA to make an entry in the smart energy meters business under its own name.
- Received the highest A1 rating from credit rating agency ICRA

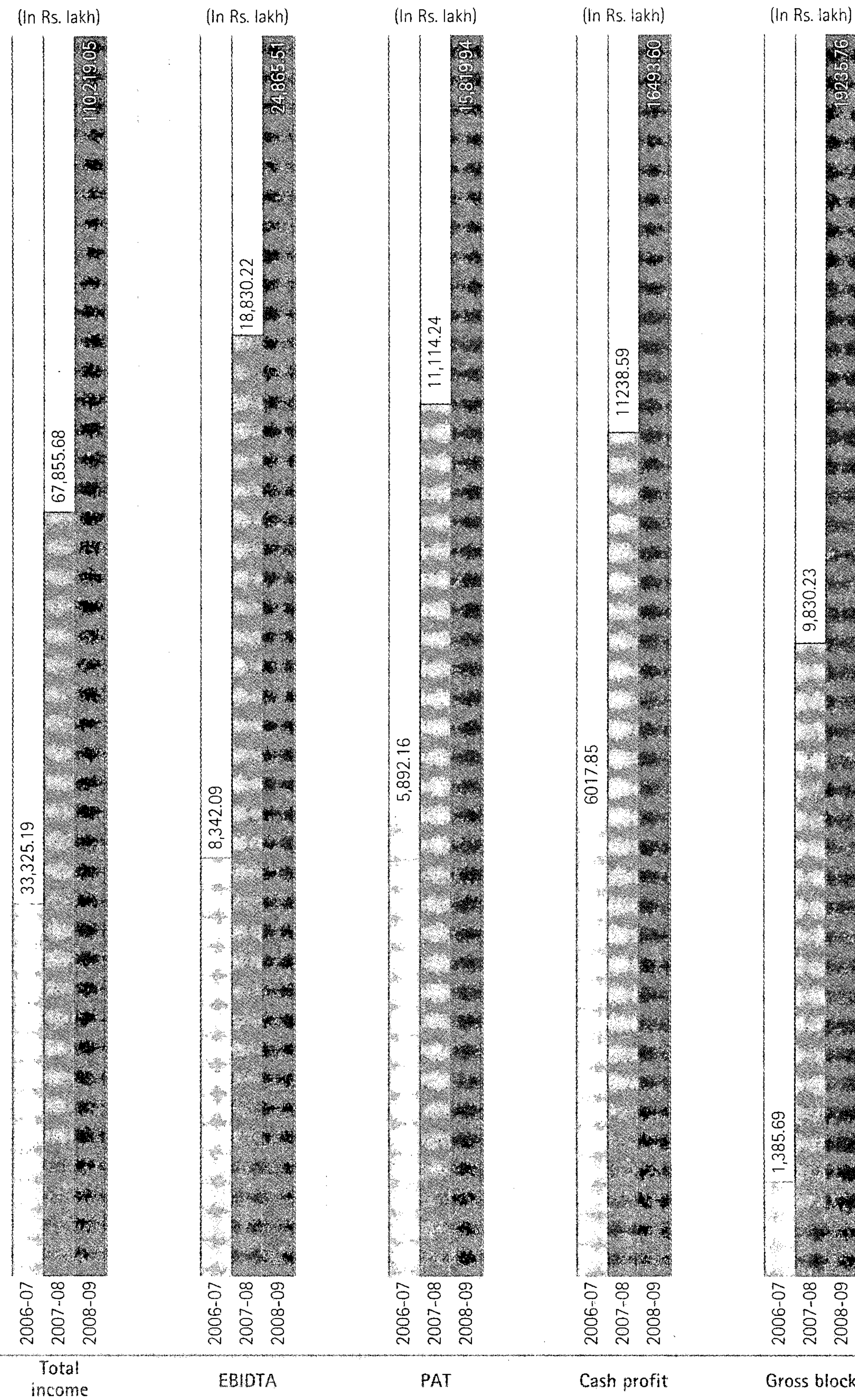
Revenue growth
167.58 per cent
5-year CAGR till 2008-09

EBIDTA growth
165.42 per cent
5-year CAGR till 2008-09

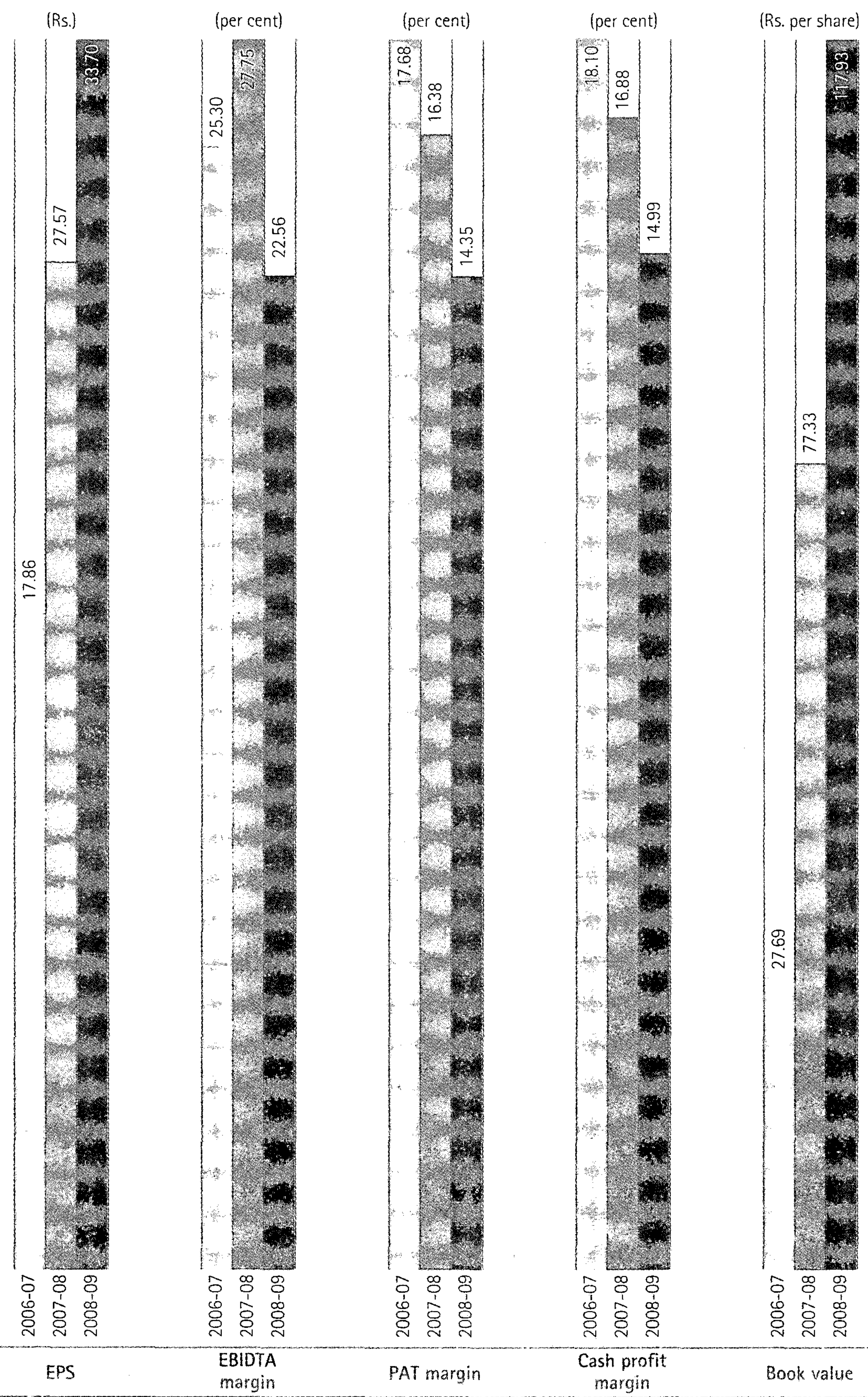
PAT growth
155.37 per cent
5-year CAGR till 2008-09

EPS growth
119.95 per cent
5-year CAGR till 2008-09

How we have grown

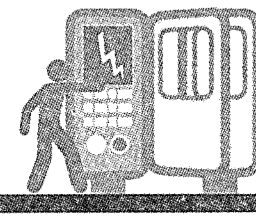


over the years



What if...

...ICSA (India) graduates from a vendor of power T&D assets to T&D asset manager



Dear Shareholders,

It has been an eventful year for the business in which the Company has grown in size and other aspects. It has travelled in a direction that has added wealth for all stakeholders.

The global meltdown resulted in net economic shrinkage that saw many institutions get affected and a few fold. The opportunities evaporated and investments dried, resulting in a long-standing effect on producers, suppliers, consumers and investors. ICSA was not an exception to the global phenomena and did certainly show a drift in a few operational metrics.

Interestingly, though not entirely related to this cascading effect, the power sector experienced a short-term slowdown. ICSA's performance exhibited the same and reflected the slowdown in changes in the composition of both its business groups. These changes suffered owing to two reasons:

Firstly, dissolving the original APDRP gave rise to a new restructured APDRP. The Power Ministry's effort to effectively utilise the APDRP funds through a nodal agency - Power Finance Corporation - brought in structural changes in the original form to ensure results in terms of quantifiable reductions in energy loss. On the one hand, the process delay in disbursement slowed the release of new technology orders, lowering growth from the technology segment. On the other hand, rise in infrastructure spending immensely benefitted the Company and therefore we experienced high value orders. Hence, the Company's segmental mix is concentrated around the infrastructure business. Secondly, state utilities deferred their automation and modernisation plans in view of the elections - as a matter of the code and uncertainty till the first quarter of 2009-10.

Updates and Initiatives

IPS segment initiatives: Infrastructure Projects and Services (IPS) business performed creditably in the second half as we executed existing projects with an 18-24 month completion cycle with the benefit of not being part of the restructuring or being linked to any nodal agency, as the ESS segment is with the RAPDRP. The spending in this segment was sustained by deep-pocketed global financial institutions like Asian Development Bank, Japanese Bank and domestic institutions like Power Finance Corporation and Rural Electrification Corporation.

In 2008-09, we made a strategic shift by graduating from 11 kV and 33 kV projects to 220 kV transmission projects, raising us above the competitive clutter and introducing us to a huge Eleventh Plan transmission infrastructure opportunity. We executed 220 kV projects in 2008-09 and going ahead, we will execute the 400 kV transmission infrastructure as we have gained eligibility and they had bid for relevant projects and expect some to transform into revenues in the current fiscal.

ESS segment initiatives: We implemented a number of initiatives to strengthen our presence in this futuristic, high-growth business.

- Strengthening of presence in smart metering space: Smart metering business is clearly an untapped opportunity and a sizeable one. To strengthen our presence in this segment, we acquired the capability and expertise of a meter manufacturing company in Hyderabad, which will facilitate our qualification as a prominent player in the smart metering space. This acquisition of business will be relevant since our ESS products earlier accessed data remotely from

A snapshot of planned capacity additions for transmission lines

	Unit	At the end of the Tenth Five Year Plan (March 2007)	Additions planned under the Eleventh Five Year Plan
765KV	Ckm	1,704	5,428
HVDC +/- 500 KV	Ckm	5,872	5,206
HVDC 200KV monopole	Ckm	162	--
400 KV	Ckm	75,722	49,278
230/220 KV	Ckm	114,629	35,371
Total	Ckm	198,089	95,283

[Source: Central Electricity Authority]

the meter but will now form a part of the meter (smart), the first such instance in India. The result is that we will now provide normal and smart meters. The acquisition will strengthen our credentials in marketing meters at a time when the demand for these products is widening.

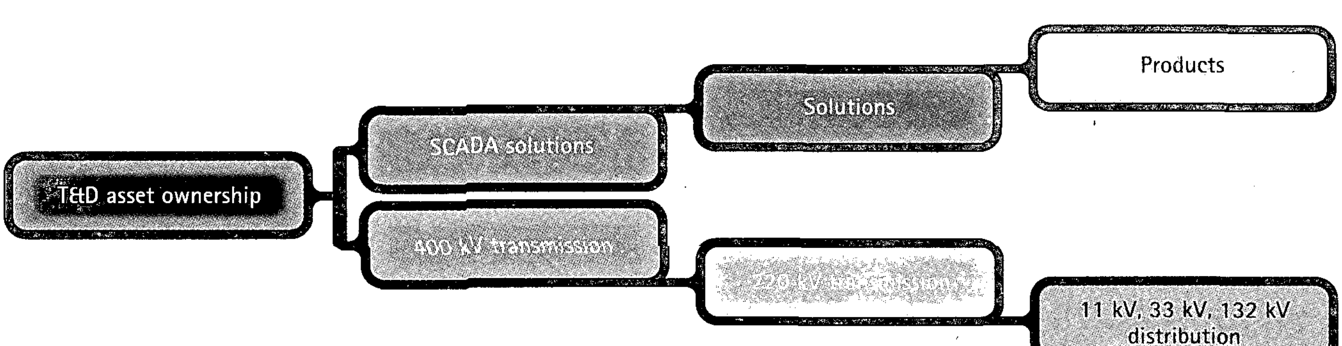
- Product development: Our R&D efforts resulted in commendable developments in the form of releasing new versions of the products with more communication capabilities, improved performance and reducing size.
- PLCC-based IAMR: We added the power line carrier communication (PLCC) capability to our IAMR. This will save the communication cost for the customers compared with using the IAMR over the GSM network and correspondingly will result in a substantial saving.
- IAMR resizing: IAMR has been reduced to half its original size by extensive research on internal design, product engineering to make it compact that is easy to install without any impact on the performance. Similarly, the product performance has been improved by design efficiency and component optimisation.
- PQMS: A new product added to the portfolio 'Power Quality Management System' when installed on the transformer helps sense and record all the parameters pertaining to the equipment and the energy flow and sends alerts on a real time basis.
- Empanelled by PFC: We were empanelled by PFC (nodal agency for Restructured Accelerated Power Development and Reform Programme) for remote data acquisition solutions, which will now require us to tie up with system integrators (as data acquisition solutions form a sizeable segment of the entire system integration projects).

Our competitive advantage lies in our business experience, unique patented products and established credentials with India's leading utilities. We expect discussions with one of India's leading system integrators to generate significant returns as about Rs. 10,000 crore have been allocated up to 2012 for the areas of our presence under the RAPDRP.

- Product to solutions: We moved from plain product supply to complete solutions that comprised installation, implementation and handover. We created solutions for two products (IAMRs and DTMS), which translated into a beneficial transition for two reasons:
- Matched delivery with promise: We undertake to deploy and operate our technology through which we help the customer achieve desired results of automation and remote data acquisition that positions us as a preferred vendor-partner.
- Enhanced domain knowledge: By managing the deployments we understand the networks that help us gain a deep understanding on the networks that helps us standardise the products and establish across multiple customers with varied requirements in multiple geographies.

Our 2009-10 road map

We expect to emerge as the single largest, completely integrated, end-to-end energy management solutions company. ICSA's evolution from being a product developer to a solution provider is only accomplished with building in SCADA capability into which all the embedded energy management products can be integrated. The Company in 2009-10, apart from concentrating on its energy management solutions deployment will work to establish itself as a supplier and



deployment partner of integrated SCADA solutions. To achieve this objective, ICSA is in discussions.for partnering with global players in building the SCADA capability.

This strategic expansion into energy monitoring throughout the T&D space is important for the following reasons:

- A SCADA system remotely monitors the real-time performance of T&D infrastructure - from generation to the end-consumer - through technology-intensive solutions. ICSA provides solutions for monitoring the distribution system but through this expansion, we will cover monitoring of transmission infrastructure as well, making us a complete solution provider covering transmission and the distribution infrastructure; presumably, the first completely integrated solution provider for entire T&D infrastructure.

- Our hardware designs currently support and address the specifications for integrating with the high-end SCADA system which will complete our solutions for the T&D sector. Relevantly, we are very close to partnering with a well-experienced, highly qualified and capable global SCADA supplier who possesses the necessary credentials to bid for SCADA projects from the second half of 2009-10.

Growth engines in 2009-10

ESS segment

- Meter data empanelment
- Expansion of solution offering
- Providers of Smart meters from 2008-09
- Inroads into offering SCADA solution
- New RAPDRP orders for the ESS segment from the second half of 2009-10

IPS segment

- Entry into transmission segment
- Successful deployment of 220 kV segment infrastructure
- Successful entry into 400 kV transmission infrastructure from the last quarter of the current fiscal

Our blueprint

India's T&D segment is expected to seek private sector intervention in infrastructure management. Our aim is to create and own India's T&D assets, supported by an optimism that stems from the following realities:

- Our expertise across the entire T&D infrastructure creation value chain from 11 kV to 400 kV lines and substations.

- Our knowledge of the distribution network through our diverse products spread across the distribution value chain.

- Our knowledge of the intricacies of energy distribution and management complemented by a *solution-seeking mindset*.

- Our graduation from products to SCADA solutions will evolve us from providing distribution monitoring systems to completely automated T&D monitoring systems.

The result is that ICSA progressively evolved from products to comprehensive solutions and will graduate to asset owners. Concurrently, the scope of the ESS segment is expected to stay relevant for at least two decades by which time Indian power sector efficiencies will match global benchmarks.

ICSA has set in motion multiple growth engines that will enable us to maintain similar growth that we had experience in the past and subsequently create wealth and enhance shareholder value exponentially.

Regards,

G Bala Reddy
Chairman and Managing Director

APDRP ⇨ RAPDRP

APDRP was launched at the beginning of Tenth Plan with an earmarked investment of Rs. 40,000 crore to bring down the country's T&D losses. Despite spending large amounts of money, it could bring down the losses by only 4-5 per cent and overall loss still hovers around 35%. Keeping this in mind, the government launched restructured APDRP with an investment of Rs. 52,000 crore aiming at reducing T&D losses to 15%, covering towns with population more than 30,000 (10,000 in case of special category states).

Asset-light strategy: The Company's asset-light strategy ensures that capital-intensive manufacturing is outsourced so that precious capital resources are dedicated to research, development and value addition.

Strong financials: Debt-equity ratio of 0.66 with Rs. 31,822.56 lakh of free reserves. Result: Growing ability to fund capital expenditure.

Technological edge: Expert use of the scalable GSM technology platform. Advantages: low operational expenditure, minimal human intervention, low resource costs, complete quality conformance and low competition.

Embedded Software Solutions (ESS)

Execution excellence: Impressive record of meeting and beating client deadlines. Result: repeat business from existing customers.

First-mover's advantage: Pioneered and led embedded software solutions for India's power sector. Result: The Company's Intelligent Automatic Meter Reading product provides real-time data access to electrical utilities, without competition.

Empowered resources: A team of specialised professionals create customised and value-added telemetric solutions. Result: sustained product innovation.

Modern facilities: Advanced R&D infrastructure helps conceptualise, develop and customise products. Result: The Company graduated from product manufacturer to an effective solutions provider

This is what

Expertise: A nine-year industry experience in the business segment. Result: Enhanced client confidence and comfort

Project management: Superior management accelerating project turnaround. Result: Increased incidence of repeat business from existing customers.

Sectoral presence: Linked to the growth coming out of national priority sectors like power, oil, gas and water utilities. Result: 167.58 per cent CAGR in the five years leading to 2008-09

Infrastructure Projects and Services (IPS)

Product suitability: Products designed to function on all existing energy meters, characterised by low turnaround time for customer-specific modifications through remote programming. Result: Prominent market visibility

Quality focus: Sourcing transformers from trusted vendors; conducts holistic stringent quality checks to maintain international benchmarks. Result: Reconciling national expertise with global excellence

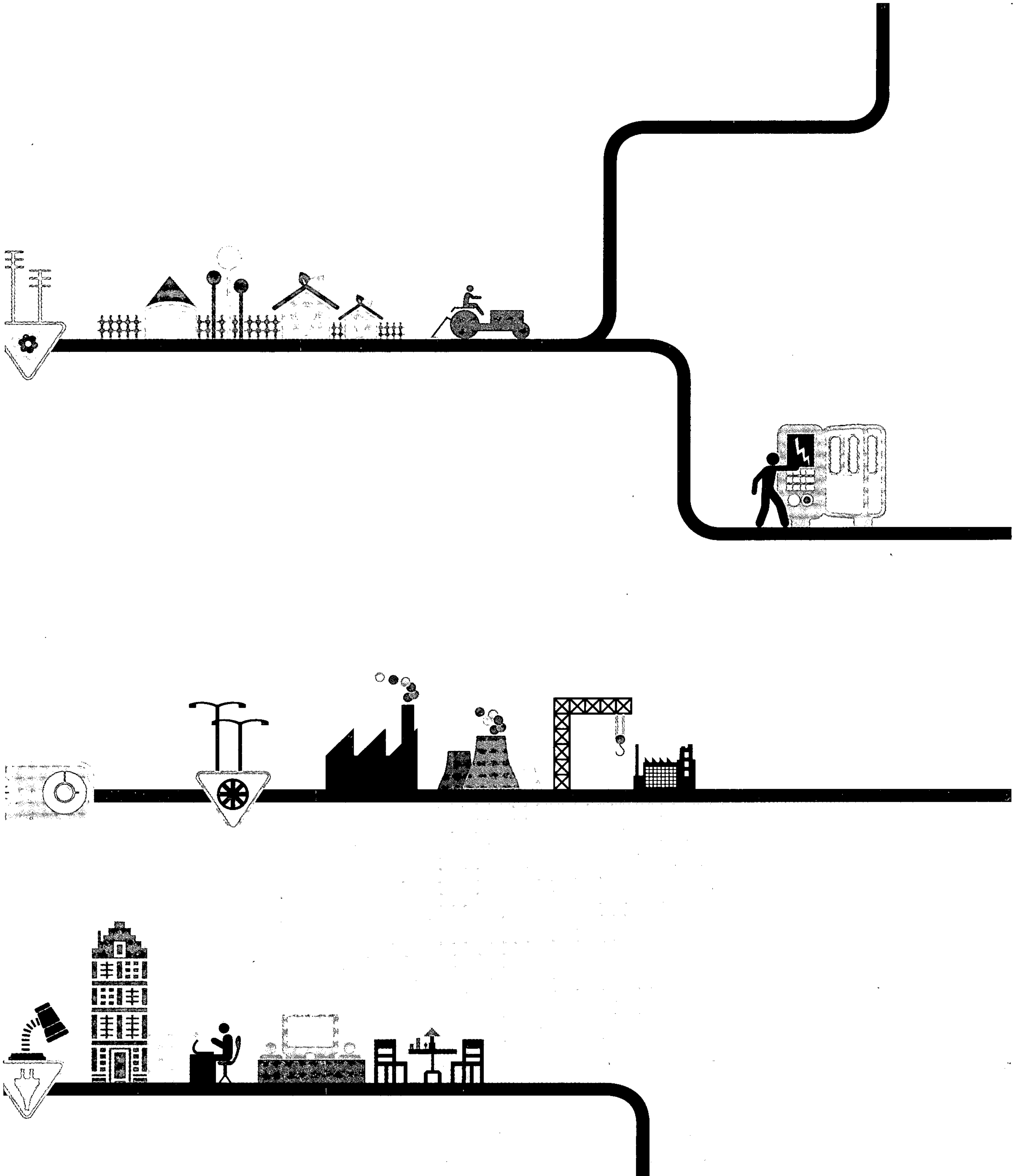
makes ICSA different

What if... every SEB was liquid, listed and profitable for shareholders?

The Kerala State Electricity Board can save Rs. 450 crore every year by plugging losses arising only out of something as mundane as faulty meters. [Source: New Indian Express (Kochi), April 29, 2009]. Tamil Nadu is incurring loss of Rs. 1,140 crores by providing free power to the farm sector [Source: The Economic Times, August 27, 2009].

What if these SEBs – long dismissed as untouchable – suddenly had more cash to manage. More profits to show. More investments to make. More opportunities to widen shareholding. More respect. What if one of the power distribution companies became one of India's fastest growing companies. Maybe we haven't seen anything yet.

ICSA



can make it happen.

Management discussion and analysis

Indian economic overview

In 2008-09, Indian economic growth slowed from 9 per cent in 2007-08 to 6.7 per cent. While the first half of the year was characterised by spiralling inflation and a corresponding CRR hike by RBI to contain inflation, the second half witnessed demand destruction owing to liquidity decline and the global economic meltdown.

The Government of India announced two stimulus packages - fiscal and monetary measures as well as CENVAT reduction and sectoral investments.

Indian economy highlights, 2008-09

- Inflation reached a 13-year high of 12.63 per cent in August 2008
- The Indian rupee weakened to Rs. 50.58 to a USD (December 2008), a six-year low, from a high of Rs. 34.48 in March 2008
- IIP growth was 2.6 per cent as against 8.5 per cent in 2007-08
- Foreign exchange reserves stood at USD 252 billion as on March 31, 2009 against USD 309.7 billion as on March 31, 2008

Signs of recovery

The Indian economy is gradually showing signs of recovery as the six core infrastructure sectors recorded growth in the first quarter of 2009-10. The broad sector grew 6.5 per cent in June 2009 compared with 2.8 per cent in May 2008, and a cumulative 4.8 per cent in the first quarter of 2009-10.

Rate of growth (at factor cost at 1999-2000 prices %)

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Agriculture, forestry and fishing	10.0	0.0	5.8	4.0	4.9	1.6
Mining and quarrying	3.1	8.2	4.9	8.8	3.3	3.6
Manufacturing	6.6	8.7	9.1	11.8	8.2	2.4
Electricity, gas and water supply	4.8	7.9	5.1	5.3	5.3	3.4
Construction	12.0	16.1	16.2	11.8	10.1	7.2
Trade, hotels and restaurant	10.1	7.7	10.3	10.4	10.1	--
Transport, storage and communication	15.3	15.6	14.9	16.3	15.5	--
Financing, insurance, real estate and business services	5.6	8.7	11.4	13.8	11.7	7.8
Community social and personal services	5.4	6.8	7.1	5.7	6.8	13.1
Total GDP at factor cost	8.5	7.5	9.5	9.7	9.0	6.7

[Source: Central Statistical Organisation]

Core sector growth in Q1 2009-10

2009-10	April (per cent)	May (per cent)	June (per cent)
Coal	13.2	10.2	14.7
Cement	11.8	11.8	12.8
Steel	2.8	1.4	5.3
Power	7.1	3.3	7.0
Crude	(3.1)	(4.3)	4.0
Refinery	(4.5)	(4.3)	(3.7)
Overall	5.0	2.8	6.5

[Source: Times of India, 24/07/09]

Sectoral analysis

Indian power sector

[Around 400 million Indians live without power *]

Sectoral overview

On the one hand, India is the world's sixth largest energy consumer; on the other, per capita power consumption was a mere fourth of the global average and 125th of the US per capita power consumption, while, India's peak power deficit was 12 per cent in 2008-09; more than 40 per cent of India's population lives without electricity.

Power deficit and corporate loss

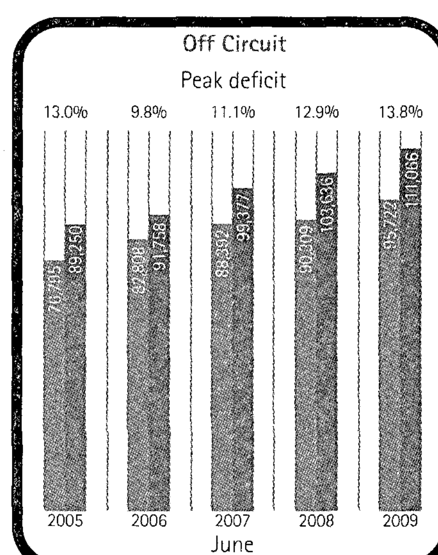
A weak power transmission and distribution environment is draining national wealth. It is estimated that India Inc. lost Rs. 43,305 crore in revenues in 2008-09 owing to power shortage (Source: MAIT and Emerson Network Power). Average loss owing to downtime was Rs. 54,434 per hour. What is alarming is that despite enhanced sectoral visibility and reform, India's power deficit touched a five-year high of 13.8 per cent in June 2009 (Source: Central Electricity Authority) - from 13,000 MW in June 2008 to over 15,300 MW in June 2009.

Union Budget impact, 2009-10

- Minimum Alternate Tax (MAT) was proposed to be increased from 10 per cent to 15 per cent. The period allowed for carrying forward the tax credit under MAT was extended from seven years to 10 years
- The government reiterated India Infrastructure Finance Company Limited's (IIFCL) role in infrastructure financing in the interim budget and gave it greater flexibility to use take-out financing as a way to refinance infrastructure projects in the public private partnership (PPP) route.
- The budgetary allocations for the Accelerated Power Development and Reforms Programme (RAPDRP) increased from Rs. 8 billion in 2008-09 to Rs. 20.8 billion for 2009-10.
- The allocation for the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) increased from Rs. 55 billion in 2008-09 to Rs. 70 billion in 2009-10.

Transmission and distribution (T&D)

Electrical transmission comprises bulk power transfer over long distances at high voltage (generally 132kV and above). India's inter-regional transmission capacity was around 20,750 MW as on March 31, 2009 and bulk transmission capacity was 265,000 ckm.



Peak availability Peak demand

Source: CEA

Power segment: Tenth Plan vs Eleventh Plan

	Tenth Plan	Eleventh Plan (Proposed)	Twelfth Plan (Proposed)
Capacity addition (MW)	21,180	78,700	82,200

* [Source: The Economic Times, August 27, 2009]

Of the total domestic energy generated, only 58 per cent is billed and 48 per cent is realised.

T&D losses

Of the total domestic energy generated, only 58 per cent is billed and 48 per cent is realised. Every year, India loses around Rs. 40,000 crore in T&D; a Rs. 50,000-crore Restructured and Accelerated Power Development and Reforms Programme (RAPDRP) has been proposed to bring down the loss to the level of 15 per cent.

Transmission plans in the Eleventh Five Year Plan

	Unit	At the end of Tenth Five Year Plan (March 2007)	Additions planned under Eleventh Five Year Plan
765 KV	Ckm	1,704	5,428
HVDC +/- 500 KV	Ckm	5,872	5,206
HVDC 200 KV monopole	Ckm	162	0
400 KV	Ckm	75,722	49,278
230/220 KV	Ckm	114,629	35,371
Total	Ckm	198,089	95,283

[Source: CEA]

Substation capacity addition under the Eleventh Five Year Plan

	Unit	At the end of Tenth Five Year Plan (March 2007)	Additions planned under Eleventh Five Year Plan
HVDC BTB	MW	3,000	-
HVDC bipole + monopole	MW	5,200	6,000
HVDC terminal capacity	MW	8,200	6,000
765 KV	MVA	2,000	51,000
400 KV	MVA	92,942	52,058
230/220 KV	MVA	156,497	73,503
Total AC sub-station capacity	MVA	251,439	176,561

[Source: CEA]

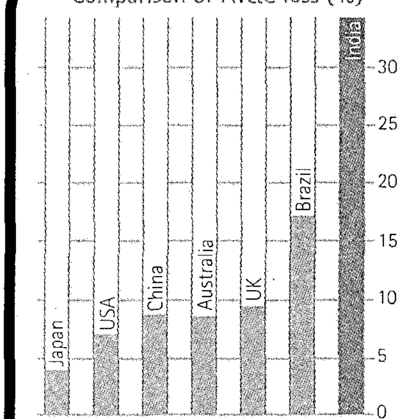
State-wise transmission and distribution losses (Losses in per cent, 2006-07)

Delhi	33	Maharashtra	31.6
Haryana	33.4	Andhra Pradesh	18.7
Himachal Pradesh	19.8	Karnataka	25.9
Jammu & Kashmir	52	Kerala	19.1
Punjab	26.6	Tamil Nadu	19.5
Rajasthan	35.6	Bihar	50.7
Uttar Pradesh	33.5	Jharkhand	26.2
Uttarakhand	34.5	Orissa	40.9
Gujarat	24.9	West Bengal	23.6
Madhya Pradesh	39.2	Assam	33.7
Chhattisgarh	31.7	All India	28.7

[Source: Ministry of Power, India]

India's T&D losses comprise technical losses (losses during energy transfer, overloads, bad power factor, etc) and commercial losses (non-collection of billed amounts and erroneous billing due to poor metering, theft etc). At 2007 prices, the market directly addressed by ICSA was estimated at nearly USD 23 billion.

Comparison of AT&C loss (%)



[Source: CEA, Ministry of Power, Mata Research]

Market opportunity in AT&C loss reduction

Energy loss metrics (2009)	Projected loss metrics in the Eleventh Plan (at current price)	
Total energy produced ~ 72.3 BU	Total energy ~ 110.28 BU	
AT&C losses: 33.07 per cent ~ 23.9 BU	AT&C losses: 15 per cent ~ 16.54 BU	
Technical loss: 10 per cent ~ 7.23 BU	Technical loss: 10 per cent ~ 11.03 BU	
Commercial loss: 23.07 per cent ~ 16.67 BU	Commercial loss: 5 per cent ~ 5.51 BU	ICSA's focus

Source: Company presentation

[Sectoral opportunity]

Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)

The Government of India's RGGVY is one of the most important power-centric programmes in India. Its objectives comprise the following:

- Electrify 1.15 lakh villages
- Connect all households to electricity
- Raise per capita electricity consumption from around 650 units to 1,000 units
- Provide free electricity to 2.34 crore below-poverty-line families.

The government made a budgetary provision of Rs. 28,000 crore in the Eleventh Five Year Plan with 90 per cent of the project cost extended as grant. Electrification was completed in around 61,205 unelectrified villages; electrical maintenance and modernisation was carried out in 85,066 villages. Around 59,18,973 below-poverty-line families were provided free electricity connections. This initiative opened up a significant business opportunity for ICSA.

Government's thrust on reducing T&D losses

The RAPDRP has an ambitious agenda: it aims to reduce AT&C losses in urban and densely populated areas from a prevailing level of around 33.07 per cent to 15 per cent by the end of the Eleventh Five Year Plan. The government has projected an outlay of USD 10 billion for the programme covering the following initiatives: establishing baseline data, fixing accountability and reducing AT&C losses through strengthened sub-transmission and distribution network. It is estimated that the market for intelligent automatic meter reading (IAMR) would be worth Rs. 2,000 crore, the T&D monitoring segment around Rs. 1,000 Crore and the agriculture load-management segment around Rs. 53 billion during the Plan period. These represent a significant opportunity for ICSA, which enjoys an industry-leading position in helping utilities to reduce their losses.

Mandatory energy audit

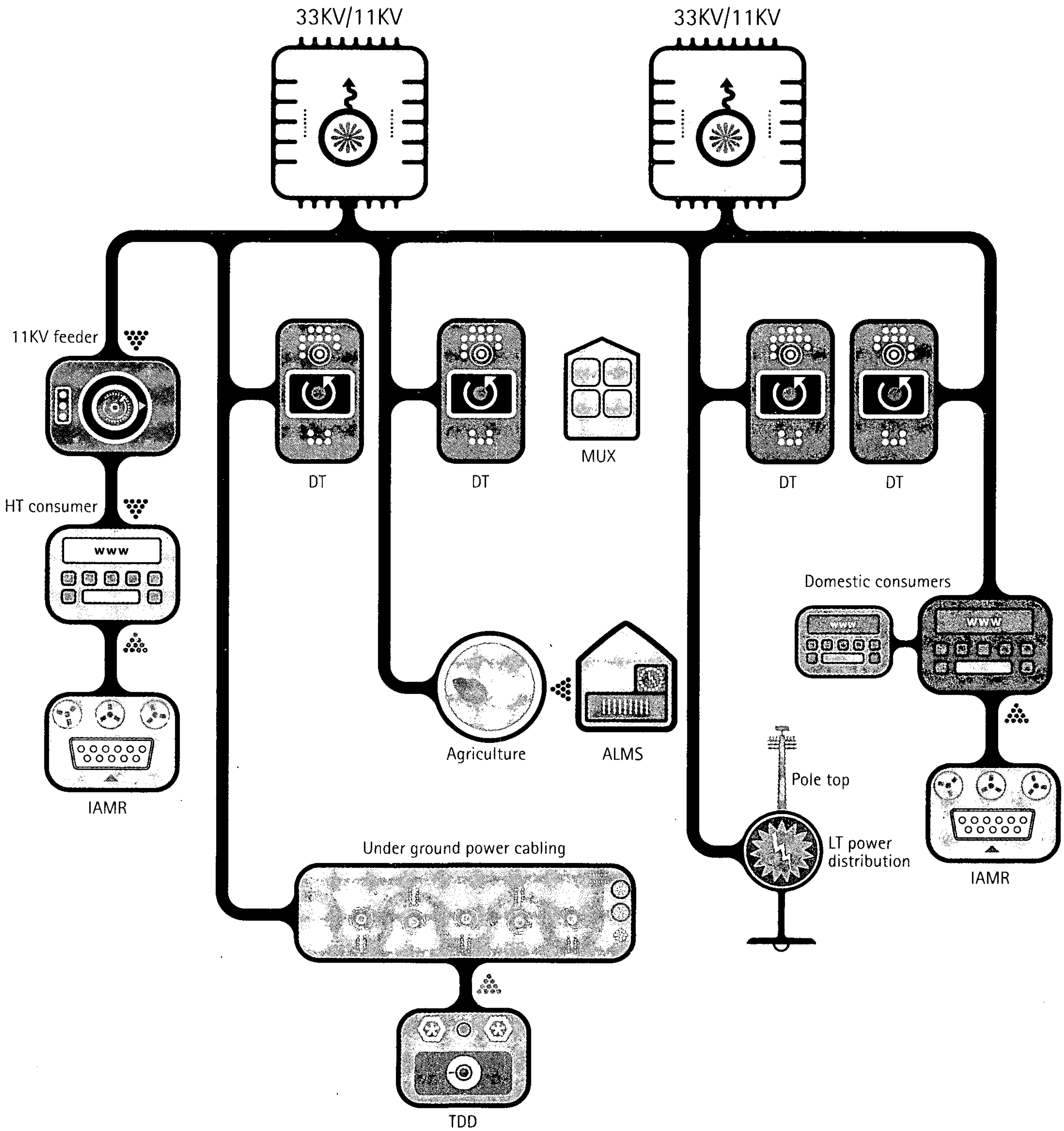
Regulatory initiatives over the last few years strengthened the environment for transmission loss reduction. For one, the government made the energy audit mandatory for all SEBs and discoms. ICSA is advantageously placed to capitalise on this priority; the Company possesses several products required by discoms to monitor and detect ATC losses. Moreover, ICSA has designed and developed proprietary products that monitor and communicate (supply and consumption) to a centralised database located in the distribution company's offices, identifying faults, supply and consumption in real time.

Distribution reform, upgrades and management (DRUM)

The United States Agency for International Development (USAID), in collaboration with the Ministry of Power (MoP), India, conceived an innovative program to accelerate India's electricity distribution sector reform with a focus on improving the country's rural energy supply situation. The bilateral five-year USD 30 million project is in line with the government's initiatives like the Electricity Act, 2003 and the APRDP scheme. ICSA is positioned to benefit from the DRUM project as the Company has already introduced products aimed at improving domestic power quality measurement system.

Our product portfolio for the power segment

Product	Application	Application areas
Intelligent automatic meter reading (IAMR)	▪ Collects data from energy meter and other devices ▪ Transmits and receives through wire and wireless communication ▪ Monitors both at field and base stations ▪ Facilitates automatic monthly billing, detecting tamper conditions, sending alerts to control rooms and collecting instantaneous parameters	High tension consumers
Distribution transformer monitoring system (DTMS)	▪ Monitors and controls distribution transformer ▪ Facilitates energy management, remote data acquisition, peak load management, energy accounting, transformer health monitoring and remote switching ▪ Alerts when parameters exceed threshold value	Distribution transformers
Pole top RTU	▪ Measures energy parameters of the connection at the pole ▪ Facilitates remote connection/disconnection for supply, monitors and communicates with master station via GSM network ▪ Raises alarms in case of tampers and line disturbance, among others	Low tension power distribution
Theft detection device (TDD)	▪ Identifies thefts at LT pillars ▪ Monitors energy and sends information about voltage, current and power, among others, to base stations ▪ Detects tampers and sends alerts to base stations and concerned officials	Distribution pillars
Sub-station controller	▪ Total metering interface up to 32 meters ▪ Remote data acquisition from central control room ▪ Automatic overload tripping of feeders and remote upload of time schedules ▪ Local downloading and printout of events and alert facilities ▪ Health monitoring of sub-station equipment	Sub-stations
Micro RTU	▪ Monitors and controls sub-station feeders as a part of SCADA system ▪ Facilitates energy audit, load survey and fault analysis	The SCADA system
Energy auditing services	▪ Depict details of location, quantity and type of losses in power distribution network ▪ Achieved by digitisation of asset management and consumer details and incorporation of data acquisition and control system at sub-station and DTR level and IAMRs/pole top RTUs at consumer locations ▪ Exception generation analysis	Distribution
Multiplexer unit (MUX Unit)	▪ Collects data from multiple meters at a single location; from eight to 16 meters ▪ Communicates with meters distributed over an area of 100 metres	Domestic customers for spot billing
Remote street lighting control systems (RSLC)	▪ Switch on/off control of street lights from a central location and timings can be programmed as per seasonal changes/traffic movements/automatically ▪ The percentage of lights glowing and lights not glowing can be detected remotely	Street lightings
Computerised online data logging system	▪ Online monitoring and data logging of load management, including data of various parameters of 11 kv feeders in sub-stations, loads in MW at each stage, phase-wise voltage, current and power factor, energy, breaker status and DC auxiliary supply status ▪ Eliminates manual interference and enhances accurate data gathering with exact time status ▪ Flattening of load curves ▪ Reduction in power purchase cost	Load management
Agricultural load management system	▪ Manages the supply of power to farmers during specified time with assured time duration ▪ Reduces the stress on LT lines, distribution transformers, sub-stations and the system in view of diversified usage ▪ Facilitates reduction in failures of distribution transformers, reduces peak demand and technical losses	Load management for agricultural customers


33KV/11KV
33KV/11KV
11KV feeder
HT consumer
www
IAMR
DT
DT
MUX
DT
DT
Agriculture
ALMS
Domestic consumers
www
www
Pole top
LT power distribution
IAMR
Under ground power cabling
TDD

Sectoral analysis

Indian oil and gas, water sectors

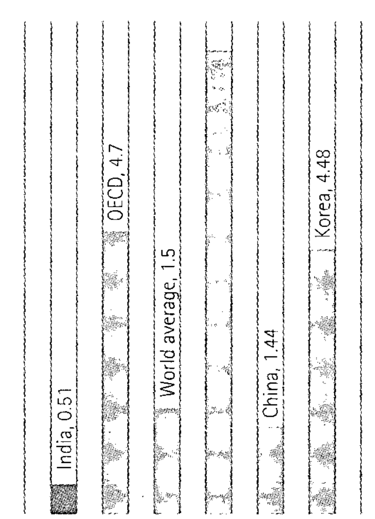
[India's per capita energy consumption of 0.51 tonnes of oil equivalent is a third of the global average.]

Despite India's extensive geographical spread, its domestic oil and gas pipeline penetration (18,000 km) is relatively low at 32 per cent compared with 79 per cent the world over (average). Indian sanitation levels are also lower at 33 per cent compared with 91 per cent in Sri Lanka and 100 per cent in France. Of 140 mn hectares of domestic cultivable land, only 40 per cent is irrigated. This extensive under-penetration – across the oil, gas and water sectors – represents robust scope for the country's pipe industry. [Source: Indian Pipe Industry 2009 report].

Demand drivers

- The Government of India increased the annual budget allocation under the Rajiv Gandhi Drinking Water Mission from Rs. 65 billion to Rs. 73 billion in the Union Budget 2008-09.
- During the Eleventh Five-Year Plan, the Government of India aims to add 11 mn hectares of irrigational facilities for an investment of Rs. 1,580 billion.
- To reduce crude import, the Indian government formulated the New Exploration Licensing Policy (NELP) for exploration and production of oil and gas, which will translate into a more aggressive consumption of pipes.
- Private players like Reliance Industries Limited and Cairn, among others, intend to establish pipe infrastructure for oil and gas transport. The establishment of a proposed national gas grid will entail a Rs. 210 billion investment.
- India's per capita energy consumption of 0.51 tonnes of oil equivalent is a third of the global average.
- NELP attracted Indian private sector giants and foreign players in its first seven editions.

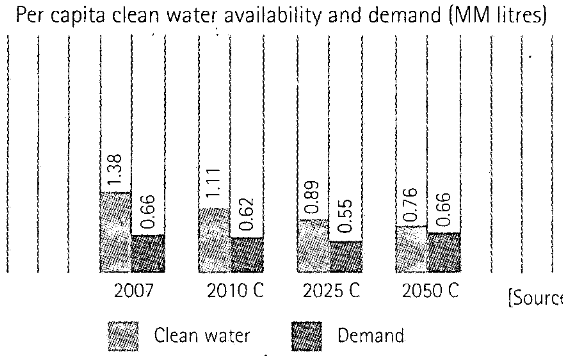
Per capita energy consumption 2006



[Source: International Energy Agency, Key World Statistics 2008]

Comparison of per capita clean water availability and demand in India (1997-2050E)

Per capita clean water availability and demand (MM litres)



[Source: Grail Research]

30 → 85 → 250

The number of Indian cities with authorised city gas distribution (CNG and piped gas) networks is likely to increase from 30 to at least 85 cities by 2011 and 250 cities by 2018 *[Source: Hindustan Times, 25.03.09]*.

> India is an emerging global oil refining hub with 25-50 per cent lower capital cost compared with other Asian countries.

Increasing thrust on refining capacity building

India is an emerging global oil refining hub with 25-50 per cent lower capital cost compared with other Asian countries. India's refining capacity is the world's fifth largest and 3 per cent of the global capacity; India is likely to boost its refining capacity 45 per cent or 65.3 MTPA (million tonne per annum) over five years (Source: Deutsche Bank). Indian companies plan to increase their refining capacity from about 149 MTPA in 2007 to 242 MTPA by 2011-12 [Source: IBEF].

Surge in gas demand

Natural gas demand accounts for 9 per cent of the domestic energy mix and 24 per cent of the global energy mix. India's gas demand is set to increase from 179 mmscmd in 2007-08 to 280 mmscmd by 2011-12 (source: Ministry of Petroleum), accounting for 14 per cent of India's energy mix by then. In 2009-10, the demand will be 225 mmscmd and supply 168 mmscmd.

Gas distribution infrastructure

To enhance gas distribution, pipeline length is expected to double from 5,826 km to 13,685 km in the Eleventh Five Year Plan. State-owned GAIL India Ltd owns about 7,700 km of pipelines with an authorisation for another 5,500 km (600-km Dadri-Bawana-Nangal pipeline, the 2,000-km Chainsa-Jhajjar-Hissar pipeline, the 2,000-km Jagdishpur-Haldia pipeline, the 1,400-km Dabhol-Bangalore pipeline and the 1,100-km Kochi-Kanjirrkod-Bangalore pipeline). These pipelines are likely to be operational across phases from 2011-12. Besides, Reliance Gas Transportation India Limited owns authorisations for about 2,800 km of pipelines. [Source: The Financial Express, July 12, 2009].

The cheapest and the cleanest!

Natural gas is the cheapest and the least polluting fuel source.

	Natural gas	Diesel	Furnace oil	Coal	Petrol
Cost in transport segment					
Cost per km (Rs)	0.42	0.64	–	–	1.20
Emissions*					
Carbon dioxide	117,000	135,250	164,000	208,000	285,700
Nitrogen oxide	92	1,632	448	457	4,081
Sulphur oxide	0.6	1,121	1,122	2,591	204
Particulates	7	1,021	8	2,744	41

*Emissions are pounds produced per billion British thermal units (BTU) of energy

[Source: Energy Information Administration, US; CRISIL Infrastructure Advisory]

To enhance gas distribution, pipeline length is expected to double from 5,826 km to 13,685 km in the Eleventh Five Year Plan.

Budget, 2009-10

- Excise duty on naphtha was reduced from 16 per cent to 14 per cent
- Excise of 6 per cent plus Rs. 13 per litre on branded petrol and 6 per cent plus Rs. 3.25 per litre on branded diesel was converted into a specific rate of Rs. 14.5 per litre on petrol and Rs. 4.75 per litre on diesel
- Tax holiday under Section 80-IB, thus far applicable to oil exploration and production companies, was extended to gas companies as well
- In view of the projected increase in oil and gas supplies, the government reiterated its commitment to develop a national gas grid.
- Pipelines operating on a common carrier principle (oil and gas) were allowed 100 per cent deduction for all capital expenditure, catalysing pipeline investments

Our product portfolio for the oil and gas segment

Product	Application	Application areas
Intelligent cathodic protection (iCAP) system	Monitors pipeline operations and notifies any abnormalities in the current	▪ Old and new pipelines ▪ Storage tanks ▪ Pontoons ▪ Foundation re-bars ▪ Underground vessels ▪ Offshore pipelines ▪ Water pipelines ▪ Towers
Off PSP logger	Detects the rate of corrosion and notifies in real time	Gas pipe lines
Intelligent telemetric unit (ITU)	▪ Helps conduct cost-effective Off PSP survey ▪ Facilitates better GPS synchronisation and has unique features like programmable data acquisition and data transmission to central station through GSM ▪ Acquires data from sensors and transmits to the central monitoring station. ▪ Enhances data transmission through GSM, CDMA, RF optical and satellite	Gas distributors Oil companies

Water

Product	Application	Application area
Intelligent automatic Water reading (IAWR)	▪ Registers consumption data of water delivered on daily/monthly basis at the base station via GSM network ▪ Enhances theft detection, meter bypass detection and water audit to calculate losses	▪ Water supply authorities ▪ Municipalities and corporations ▪ Urban authorities

Business review

ICSA (India) Limited

2008-09

Revenue - Rs. 110,219.06 lakh

EBIDTA - Rs. 24,865.51 lakh

EBIDTA margin - 22.56 per cent

Embedded solution and software services

2008-09

Revenue - Rs. 66,350.72 lakh

Operating profit - Rs. 25,082.99 lakh

Overview - In this segment, ICSA provides auditing tools for power sector, oil and gas pipelines, water distributions, street light control and software solution.

Power

Utility detecting tools to areas of T&D losses

Oil and gas

Detecting corrosion, pilferage and third party damage (iCAP)

Water

Water auditing tools to detect loss

S/W services

Application in areas of embedded systems

Infrastructure projects and services

2008-09

Revenue - Rs. 43,691.75 lakh

Operating profit - Rs. 6,339.54 lakh

Overview - Provides total turnkey/partial turnkey services for electrical infrastructure projects in transmission and distribution sectors besides industrial electrification projects

EPC: Design, supply, transport, erection, testing and commissioning of

- 400kV/220kV/132kV transmission lines and sub-stations
- Outdoor and GIS sub-stations.

Turnkey: The Company offers the following services:

- HVDS distribution works
- Rural electrification works
- Industrial electrification works
- Construction of 33kV/11kV Indoor and outdoor sub-stations

Embedded software solutions (ESS)

Highlights, 2008-09

- Introduced 12 new products
- Empanelled by Power Finance Corporation and Ministry of Power as meter data acquisition and solution provider, which will enable the Company to work jointly with system integrators for relevant projects under RAPDRP
- Received orders from several utilities companies across the country for its energy and smart meters

What is SCADA?

SCADA or Supervisory Control and Data Acquisition, refers to a system that collects data from various sensors at remote locations and sends the data to a central computer, which manages and controls the data and the equipment. SCADA is widely used in power management, water management, mass transit, environment control and manufacturing systems [Source: http://www.tech-faq.com/scada.shtml].

Overview

In the ESS segment, ICSA delivers embedded solutions to reduce T&D losses in power, oil and gas and water segments. The Company's suite of embedded solutions is customised for the specific requirements of utility companies across industries (power, oil and gas and water). Over three years, the Company launched new ESS products directed at the power sector, gaining increasing acceptance from government agencies and private-sector companies. The Company widened its product range with applications across the power distribution value chain from 33-KV sub-stations to the end consumer.

Key initiatives

- Developed smart meters with inbuilt communication protocol for automated meter reading which cost around 20 per cent less than a normal meter with an externally fitted iAMR
- Developed PLCC-based IAMR for low-tension consumers with a lower cost implication as it works with a power line carrier itself as a communication media
- Developed pole top PLCC for the electricity utility in Bhopal
- Developed a power quality management system to study power interruptions in transformers with real time reporting. The product is now being used in pilot projects in Rajasthan and Gujarat

Road ahead

Going ahead, the Company wishes to provide entire SCADA based solutions as it has already developed RTU and DTMS, two key inputs for SCADA-based solutions. The Company also wants to bid for larger projects in the RAPDRP segment.

Business enabler [Research and development]

Highlights, 2008-09

- Developed 12 new products in the meter segment
- Redesigned the IAMR around compactness and efficiency
- Developed a product to measure power quality in any area, right from distribution transformer to the entire area under a utility
- Developed a power line communication system to obtain data from multiple energy meters
- Supplied a trial order by IOC Limited for cathodic protection automation in its refinery

Significance

ICSA's strong research and development team creates relevant products and solutions that minimise resource loss. It develops new products as well as software embedded in products and processes that optimise cost. The R&D team works closely with the business development, customisation and engineering teams. The result was that the Company became one of the few companies in India to be recognised under the meter data acquisition and service provider under RAPDRP programme.

In the oil and gas segment, the R&D team developed pipeline application solutions across different climatic conditions. The products were developed after meticulous field testing. The Company developed a range of products, including an automated cathodic protection system, third party damage identification system and closed interval potential survey system, among others. The R&D team also offered services like cathodic protection design, pipeline survey and third party inspection tools.

Road ahead

ICSA is undertaking research in areas like embedding/integrating the intelligence portion into the modem engine leading to product creation, an intelligent gas distribution monitoring system, distribution management system using SAP for utility management and Defence products, among others.

In the oil and gas segment, the Company is exploring cathodic protection opportunities in pipelines carrying chemicals to fertiliser companies. It is expected to diversify into pipeline layout, SCADA-based solutions and terminal automation solutions.

Investment in research and development (Rs. lakh)

2008-09	2007-08	2006-07
1,983.78	1,829.14	671.86

Product	Patents	Designs	Copyright	Trademark
Intelligent Automatic Meter Reading (IAMR) System	Yes	Yes	Yes	Yes
Distribution Transformer Monitoring System (DTMS)	Yes	No	Yes	Yes
Intelligent Cathodic Protection (iCAP) System	Yes	Yes	Yes	Yes
Theft Detection Device (TDD)	Yes	Yes	No	No

Business enabler [Business development]

Highlights, 2008-09

- Reported 64.07 per cent sales revenue increase from Rs. 67,069.25 lakh in 2007-08 to Rs. 110,042.47 lakh
- Added new clients in the ESS segment

Significance

ICSA possesses a strong business development team headed by the Chief Executive Officer (technology). The team is responsible for generating business in India; the Company formed a joint venture with a Malaysian company to handle telemetry marketing, distribution, licensing and solutions in Southeast Asia (excluding Singapore) for power, utilities, oil and gas and SAP compliance using ICSA's proprietary solutions (software and hardware). The Company established a subsidiary in Singapore (ICSA International PTE Ltd) to support sales and development in Southeast Asia.

Road ahead

Going ahead, the Company wishes to strengthen its bidding capacity to bid for larger projects.

Business enabler [Quality control]

Highlights, 2008-09

- Completed the validation process for the newly developed smart energy meters
- Enhanced quality acceptance of final products

Significance

ICSA's quality assurance and R&D teams enhance product quality in line with customer needs but exceeding their specifications through the following initiatives:

Validation: The quality team validates products developed by the R&D team. It documents new product design and functionality and conducts quality tests prior to commercial production.

Raw material inspection: The quality team checks incoming raw material for quality with a detailed report in the event of rejection.

Product Process verification: Products under the process of manufacturing are subjected to critical inspections at every stage to eliminate any possible defects in the process

Product inspection: The Company outsources the manufacture of certain product components. The quality team checks for a certificate of testing for the outsourced components from all manufacturers and undertakes sample and in-process checking.

Software/firmware testing: The quality team tests software/firmware used in the Company's products to ensure functionality. The quality team periodically calibrates all quality testing equipment as specified by NABL, ensuring accuracy.

Packaging: The Company's products are supplied across the country with adequate packaging, which is checked.

Road ahead

Going ahead, the Company is working towards achieving ISO 14001 certification.

Business enabler [Human resource management]

ICSA's success lies in creating a qualified and experienced team. As on March 31, 2009, the Company's team strength was 556 as against 430 as on March 31, 2008, with people retention at one of the highest levels in the industry.

Recruitment: The Company recruited a balance of qualified professionals and freshers in segments like metering technology, business development, embedded software and hardware design, among others. The Company recruited through employee referrals, newspaper advertisements and manpower consultants, among others.

Training: The Company enjoys a large market share of a knowledge-driven niche. It undertook a two-year, on-the-job training programme - Graduate Engineer Training Scheme - to facilitate a specialisation with product-related technologies and processes.

Appraisal: The Company's employees are appraised annually by their immediate superiors. Currently, it is developing key response areas (KRAs) for each employee to make appraisal easier, more relevant and transparent.

Motivation: The Company enriched its work environment through various initiatives (collective celebrations and fun at work, among others). A special Saturday training session called Gurukul enhanced knowledge sharing. The Company encouraged employee suggestion schemes.

Infrastructure projects and services (IPS)

Highlights, 2008-09

- Operated in 11 states with 30 site offices
- Received two large ticket size projects in Bihar and Maharashtra

Overview

ICSA is one of India's leading companies, offering total/partial turnkey services to industrial electrical projects and electrical infrastructure projects. In electrical infrastructure, the Company provides services to the power T&D sector. It also executes HVDC projects and rural electrification projects on a turnkey basis.

In IPS segment, the Company offers services including design, supply, transport, erection, testing and commissioning of 400 KV/220 KV, 132 KV transmission lines and sub-stations and also outdoor and GIS sub-stations. The Company developed a turnkey expertise in 33 KV/ 11 KV indoor and outdoor sub-station construction. Additionally, it undertakes maintenance contracts of sub-stations constructed by it.

Key initiatives

- Undertook cost optimisation to rationalise operating costs
- Enhanced collections by stringently monitoring receivables

Road ahead

Going ahead, the Company expects to undertake the following initiatives:

- Monitor projects for timely execution
- Foray into underground cable laying in the power segment
- Bid for large transmission projects

Finance review

Accounting policy

ICSA followed the accrual basis of accounting in structuring its accounts as per the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

2008-09 vs 2007-08

(Rs. lakh)

	2008-09	2007-08	Growth
Total Income	110,219.05	67,855.69	62.43 %
EBIDTA	24,865.51	18,830.22	32.05 %
Profit before tax	20,663.10	15,774.13	30.99 %
Profit after tax	15,819.94	11,114.24	42.34 %
Cash profits	16,493.60	11,238.59	46.76 %
Earnings per share (of Rs. 2 each)	33.70	27.57	22.23 %
EBIDTA margin (per cent)	22.56	27.75	(519) basis points
PAT margin (per cent)	14.35	16.38	(203) basis points

Revenue analysis

Revenue (net sales) increased by 64.07 per cent from Rs. 67,069.25 lakh in 2007-08 to Rs. 110,042.47 lakh in 2008-09, following an attractive growth in user industries predominantly from power sector

Expense analysis

While the total expenses of the Company increased by 71.95 per cent from Rs. 52,081.55 lakh in 2007-08 to Rs. 89,555.95 lakh in 2008-09, total expenditure as a proportion of the total income increased by 450 basis points from 76.75 per cent in 2007-08 to 81.25 per cent in 2008-09. The increase in total expenditure was primarily due to change in business mix, growth in infrastructure project and services segment, input costs, employee and related costs.

Employee costs: Employee costs increased by 55.43 per cent from Rs. 1,497.14 lakh in 2007-08 to Rs. 2,327.02 lakh in 2008-09 on account of following reasons:

- Increase in team size for seamless operations through the recruitment of more than 125 members in 2008-09.
- Annual wage revision, adding significantly to the overall wage bill.

Administrative expenses: The administrative and other expenses of the Company increased by 11.04 per cent from Rs. 1,421.35 lakh to Rs.1,578.22 lakh in 2008-09.

EBIDTA increased by 32.05 per cent from Rs. 18,830.23 lakh in 2007-08 to Rs. 24,865.51 lakh in 2008-09.

Operating profit

EBIDTA increased by 32.05 per cent from Rs. 18,830.23 lakh in 2007-08 to Rs. 24,865.51 lakh in 2008-09. The exchange fluctuation of Rs 1,849.69 and prior period adjustments of Rs 533.86 is excluded while arriving at the EBIDTA.

Capital Employed

The capital employed in the business recorded a 71.81 per cent surge over the previous year from Rs. 57,552.81 lakh on March 31, 2008 to Rs. 98,883.23 lakh on March 31, 2009 for three reasons:

- Increase in share capital due to the allotment of warrants and application money under the ESOP scheme.
- Increase in share premium reserve and enhanced plough-back of business surplus.
- Growth in loan portfolio to fund business growth.

Shareholder's funds

The Company's net worth is Rs. 55,367.54 Lakh as on March 31, 2009, a 62.69 per cent surge over the previous year. Judicious utilization of shareholder's wealth resulted in enhanced return .The book value per share of Rs. 2 each grew from Rs. 77.33 per share as on March 31, 2008 to Rs.117.93 per share as on March 31, 2009.

Equity capital: The Company's equity capital comprised 4,69,50,993 shares (face value of Rs. 2 per share). It increased from Rs. 880.17 lakh as on March 31, 2008 to Rs. 939.02 lakh as on March 31, 2009. The company has allotted 2,92,493 equity shares of Rs 2 each to the employees of the company on exercise of employee stock options and 26,50,000 equity shares of Rs. 2 each to preferential allotees upon conversion of fully convertible warrants.

Reserves and surplus: Reserves represent zero-cost funds accumulated over the years by plough-back of operational surplus into the business, besides being an effective buffer for embarking on any growth initiative. Reserves and surplus of the Company registered an increase of 64.74 per cent from Rs. 35,673.42 lakh on March 31, 2008 to Rs. 58,769.31 lakh on March 31, 2009. This was primarily brought about by the addition of operational surplus to the reserves account and a growth in share premium and capital reserves. Free reserves accounted for 54.14 per cent of the reserve balance, reflecting the financial robustness to fund value-accretive capital initiatives.

External funds

The Company's debt portfolio grew from Rs. 20,137.87 lakh on March 31, 2008 to Rs. 39,160.65 lakh on March 31, 2009. Due to the macro-economic changes, the interest rate fluctuation was almost to the extent of 200 bps. The company judiciously utilized these funds.

Secured loans: Secured loans, comprising 76.63 per cent of the total loan portfolio, grew from Rs. 10,987.87 lakh as on March 31, 2008 to Rs. 30,010.65 lakh as on March 31, 2009.

Unsecured loans: Unsecured loans remain same at Rs. 9,150 lakh as compared to last year .Unsecured loans primarily constitute quasi-equity instruments (namely FCCBs) issued 2007-08 and 2008-09.

In line with expanding external debt, interest cost on the secured and unsecured portion of debt increased from Rs. 1,783.11 lakh in 2007-08 to Rs.3,528.77 lakh in 2008-09.

Sources of funds

	2008-09		2007-08		
	Amount (Rs. lakh)	Percentage of the total	Amount (Rs. lakh) (Rs. lakh)	Percentage of the total	Increase over the previous year (Rs. lakh)
Equity capital	939.01	0.94	880.17	1.49	58.84
Share warrant and ESOP application money	14.25	0.01	861.35	1.45	(847.09)
Reserves and surplus	58769.31	58.59	35,673.42	60.23	23095.89
Loan funds	39160.65	39.04	20,137.8 7	34.00	19022.77
Deferred tax liability	1427.14	1.42	1,680.05	2.84	(252.91)
Total	**100310.37**	**100.00**	**59,232.86**	**100.00**	**41077.51**

Free reserves accounted for 54.14 per cent of the reserve balance, reflecting the financial robustness to fund value-accretive capital initiatives.

Gross block

The gross block of the company represents its competitive edge in terms of scalability and technological capability. Over the years, the Company consistently invested in sizeable fixed assets. In 2008-09, net block strengthened by 89.42 per cent from Rs. 9,167.76 lakh as on March 31, 2008 to Rs. 17,365.77 lakh as on March 31, 2009. The contemporariness of the fixed assets can be judged by a simple statistic-accumulated depreciation as a percentage of gross block stood at only 9.72 per cent. The Company consistently provided depreciation as per Straight Line Method. The increase in the depreciation for the current year from Rs. 343.86 lakh to Rs. 1,207.51 lakh.

Working capital

The reasonably long working capital cycles of both businesses mandated efficient resource utilization. The working capital increased in 2008-09 (net current assets) to Rs.78,328.42 lakh on March 31, 2009, compared with Rs. 46,421.15 lakh on March 31, 2008, attributed to the following reasons: expanded business operations in both segments and a proportionate increase in costs. The Company enjoyed working capital limits from Indian banks. Going ahead, the Company's focus on improving working capital cycle and excessive concentration on receivables is expected to reduce pressure on working capital.

Inventories: Inventories represented a small portion of the overall working capital component. Inventories stood at Rs. 8,266.66 lakh as on March 31, 2009 as against Rs. 6,490.45 lakh as on March 31, 2008, an increase of 27.37 per cent.

Sundry debtors: Outstanding receivables comprised the bulk of working capital requirements as the majority of business was transacted with Government agencies, extending the receivables cycle. As a result, debtors increased from Rs. 31,900.56 lakh as on March 31, 2008 to Rs. 50,953.01 lakh as on March 31, 2009. Despite an increase in the value of debtors, the Company reduced the debtors' cycle from 174 days in 2007-08 to 169 days in 2008-09 through a continuous monitoring of debtors' periodicity, regular appraisal and a diversified client mix, The proportion of debtors more than six months old accounted for 18.70 per cent of the total debtors.

Loans and advances: Loans and advances increased from Rs. 11,106.38 lakh as on March 31, 2008 to Rs.22,757.92 lakh as on March 31, 2009, largely due to advances given to contractors for projects to be executed. Other segments include deposits with various government authorities. Loans and advances, as a proportion of current assets, accounted for 24.59 per cent.

Current liabilities and provisions: The Company's current liabilities and provisions increased from Rs. 13,708.77 lakh as on March 31, 2008 to Rs.14,207.58 lakh as on March 31, 2009. Sundry creditors the largest component under this head- increased from Rs. 8,109.46 lakh as on March 31, 2008 to Rs.8,756.09 lakh as on March 31, 2009, accounting for 86.22 per cent of the current liabilities. The creditors' cycle decreased from 85 days in 2007-08 to 47 days in 2008-09, Provisions (income tax, fringe benefit, dividend and corporate dividend tax) increased from Rs. 3,163.28 lakh as on

Application of funds

	2008-09		2007-08		
	Amount (Rs. lakh)	Percentage of the total	Amount (Rs. lakh)	Percentage of the total	Increase over the previous year (Rs. lakh)
NNet block	17,365.77	17.31	9,167.76	15.48	8,198.01
Investment	261.14	0.26	261.14	0.44	0
Net current assets	78,328.42	78.09	46,421.15	78.37	31,907.27
Miscellaneous expenditure	4,355.04	4.34	3,382.82	5.71	972.22
Total	100,310.37	100.00	59,232.86	100.00	41,077.51

The Company reduced the debtors' cycle from 174 days in 2007-08 to 169 days in 2008-09 through a continuous monitoring of debtors' periodicity.

March 31, 2008 to Rs. 4,052.76 lakh as on March 31, 2009.

Taxation

In line with the expanding operations, the tax expense grew from Rs. 4,659.89 lakh in 2007-08 to Rs. 4843.16 lakh in 2008-09. The current tax for the year grew from Rs. 3,240.33 lakh in 2007-08 to Rs.4,800.06 lakh in 2008-09.

Internal audit and control

The Company's internal audit and internal control systems have been formed to provide reasonable assurances with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding of assets from unauthorised use or losses, execution of transaction with proper authorisation and ensuring compliance with corporate decisions and policies.

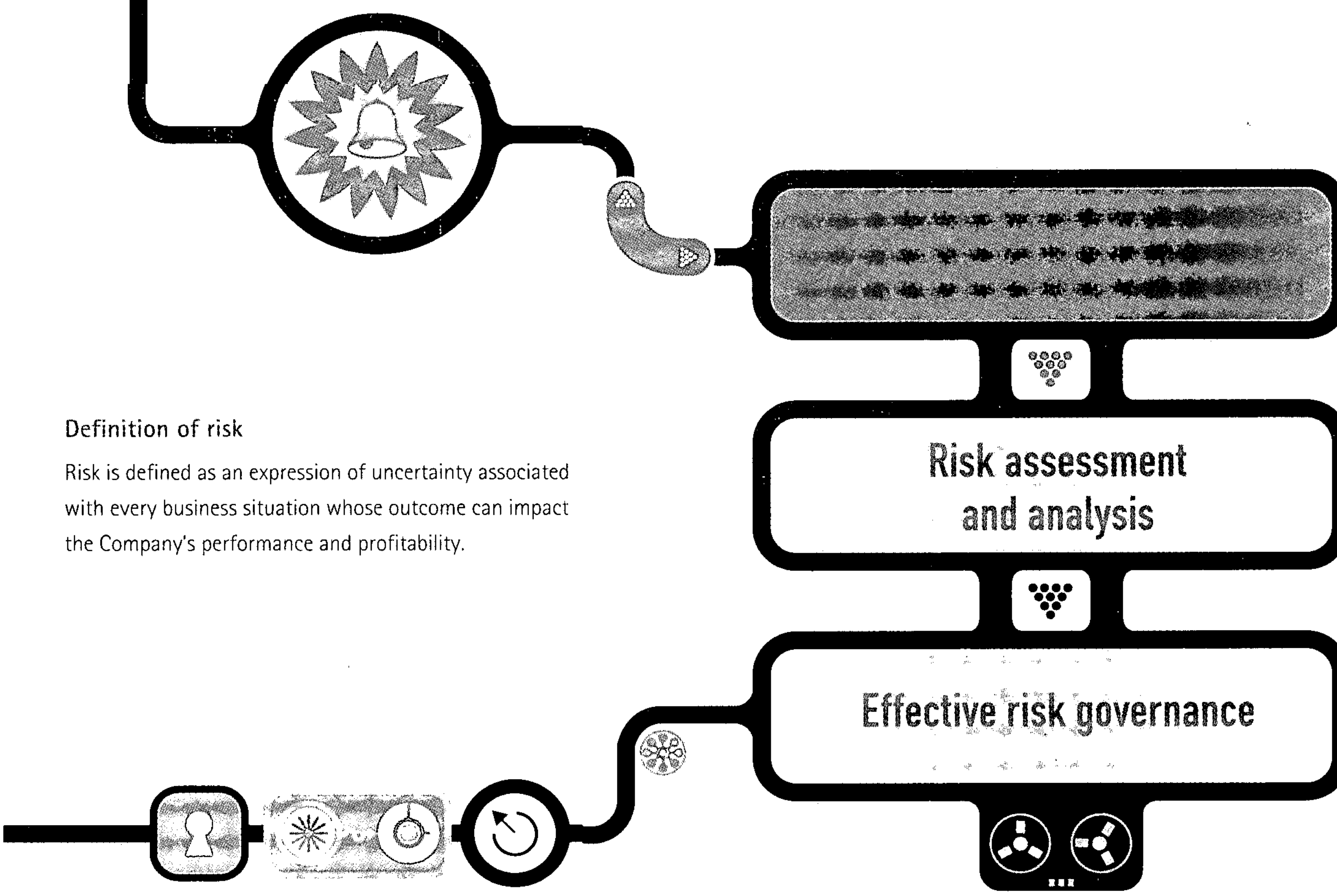
The internal audit process is designed to review the adequacy of internal control checks in the system and covers all significant areas of the Company's operation. The Company has also put in place an adequate system of internal controls commensurate with its size and the nature of its operations.

The Company has an Audit Committee, details of which are given in the Corporate Governance Report. The Audit Committee, among other functions, reviews the report on findings of the internal auditors. Suggestions for improvement are duly implemented. The Company has a defined organisational structure with proper delegation of responsibility, authority and functions, which ensures proper compliances with internal policies and applicable laws, while enforcing proper checks and balances.

ICSA – Liquidity matrix

	2008-09	2007-08
Current ratio	6.51	4.39

The management of risk



Definition of risk

Risk is defined as an expression of uncertainty associated with every business situation whose outcome can impact the Company's performance and profitability.

Risk management

Risk management is the process of identifying, assessing and taking proactive measures to minimise or eradicate the potential loss arising due to exposure to particular risks.

Risk management process at ICSA

The dedicated and experienced management at ICSA identifies the risk involved with the business proactively and takes adequate measures to contain its impact. The Company's comprehensive risk management is structured around prudent norms and reporting. The management's risk management initiatives are trickled down to all levels for effective implementation. The consistent implementation of this framework is monitored by a risk compliance team through audits and reviews. Consequently, the Company takes business decisions that balance risks and rewards.

Industry risk

A slowdown in the downstream industries could impact growth.

1

Risk mitigation

- The government has emphasised power for all Indians by 2012.
- In the Union Budget 2009-10, the government increased allocation for the RAPDRP by 160 per cent and for RGGVY by 27 per cent, widening the scope for T&D infrastructure.
- The Company added a new product and acquired a unit in Hyderabad for electricity meter manufacture.

Regulatory risk

A change in regulatory focus could impact growth.

2

Risk mitigation

- The government sanctioned a Rs. 1,400-billion T&D-focused investment in the Eleventh Plan in line with its understanding that the cost of generating a unit is twice the cost of saving it.
- The government restructured the APDRP scheme to reduce T&D losses to 15 per cent by the end of the Eleventh Plan.

Receivables risk

The Company is engaged in government projects. Any delay in receivables could impact the working capital cycle.

Risk mitigation

Government focus

ICSA's initiatives

- The Company's strong payment monitoring system ensures timely payments.
- It is also engaged in private sector power projects, receiving timely payments.
- Its service standard increased client confidence and resulted in stronger terms of trade.
- It carried out regular debtor appraisal to minimise outstandings.

Research and development risk

4

The Company's inability to develop innovative products could blunt its competitive edge.

Risk mitigation

- The Company received product patents in five years.
- It developed IAMR compatible with any meter and able to use any form of communication platform ranging (GSM, CDMA, GPRS and RF, among others).
- It developed the DTMS product to monitor transformer activities, shutting down in case of higher load and protecting from breakdowns.
- It developed PLCC capacity in its product that enables power lines to transmit the meter reading data in real-time.
- It diversified R&D-led services like cathodic protection design, pipeline survey and third party pipeline inspection, among others.

Competition risk

5

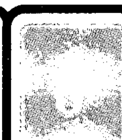
The Company's attractive profitability can attract competition.

Risk mitigation

- ICSA enjoys a first-mover's advantage in automated product distribution, penetrating deep into the market and successfully installing several products.
- Its products are developed after strong research, pilot projects and multiple commercial deployments before obtaining certifications, a high entry barrier for new entrants.
- Its products are customised with special features, a distinctive competitive edge.
- Its proprietary software is embedded in products, making duplication difficult.
- It received patents for its flagship products, curbing competition.

Liquidity risk

The Company may not be able to mobilise adequate funds for daily operations.



Risk mitigation

- The Company developed a strong debtor monitoring system to ensure timely receivables.
- Its current and quick ratios were a comfortable 6.51 and 5.93 in 2008-09.
- Working capital, as a percentage of revenue, stood at 71.18 per cent as on March 31, 2009 against 69.21 per cent as on March 31, 2008.
- Stringent receivables monitoring enhanced regular cash flow and led to a decline in debtor cycle from 174 days in 2007-08 to 169 days in 2008-09.

directors' report

Your Directors have pleasure in presenting the 15th Annual Report together with the audited accounts for the financial year ended 31st March 2009.

Financial highlights

	2008-09 (Rs. in lacs)	2007-08 (Rs. in lacs)	% growth / increase
Total income	1,10,219.05	67,855.69	62.43
Profit before tax	20,663.10	15,774.13	30.99
Profit after tax	15,819.94	11,114.24	42.34
Number of shareholders As on March 31, 2009 / 2008	31,692	22,870	38.57

Review of operations

For the financial year ended March 31, 2009, your Company made a significant growth and reported a total income of Rs. 11,219.05 lakh, showing a growth by 62.43 per cent over 2007-08.

The Company recorded a net profit of Rs. 15,819.94 lakh, representing a growth of 42.34 per cent over 2007-08.

Operating performance of all the segments and power products and processes were significantly better than 2007-08. For detailed analysis of the performance, please refer to the management's discussion and analysis section of the Annual Report.

New innovations and product developments

The products developed by the Company also find application in other sectors including oil, gas, water, irrigation and mining which has thrown open a big opportunity for the Company. Recent innovations include the below products:

I. Energy meters and derivatives

- Smart Trivector Meter HT, -/5A Prototype
- Smart Trivector Meter LT-CT, -/5A Prototype
- PQMS – Prototype
- Smart Trivector Meter with GSM and GPRS – Prototype
- Data Concentrator – Prototype
- Energy Meter LT-CT, -/5A – Prototype

II. AMR

- Substation Metering Device (SMRD) for PQMS - Prototype
- Compact IAMR (Open AT) – Prototype
- Modified IAMR (GSM) & IAMR with ICSA Meter – Prototype
- Modified IAMR (GPRS) & Modified MUX – Prototype
- IAMR with RF/ Zigbee – Prototype

III. Other products

- ALMS – Prototype
- HHU – Prototype
- RSLC - 1 Ph
- RSLC - 3 Ph
- Protection for DTMS - NELCO – Prototype

Changes in capital structure

Details of changes in equity structure during the year under review:

Sl. no.	Date of allotment	Particulars	Number of shares allotted	Total number of equity shares post allotment
1	April 01, 2008	Share capital as on April 01, 2008	-	4,40,08,500 shares of Rs. 2 each
2	July 21, 2008	Allotment of equity shares representing 15 per cent of stock options granted under Employee Stock Option Scheme 2006, allotted at the discounted price of Rs. 70 per equity share of Rs. 2 each	37,493 shares of Rs. 2 each	4,40,45,993 shares of Rs. 2 each
3	October 08, 2008	Allotment of shares on conversion of 26,50,000 fully convertible warrants issued at the price of Rs. 270 per equity share of Rs. 2 each	26,50,000 shares of Rs. 2 each	4,66,95,993 shares of Rs. 2 each
4	November 11, 2008	Allotment of equity shares representing 35 per cent of stock options granted under Employee Stock Option Scheme 2005, allotted at the discounted price of Rs. 60 per equity share of Rs. 2 each	1,05,000 shares of Rs. 2 each	4,68,00,993 shares of Rs. 2 each
5	March 04, 2009	Allotment of equity shares representing 30 per cent of stock options granted under Employee Stock Option Scheme 2007, allotted at the discounted price of Rs. 25 per equity share of Rs. 2 each	1,50,000 shares of Rs. 2 each	4,69,50,993 shares of Rs. 2 each
6	March 31, 2009	Equity share capital as on March 31, 2009	-	4,69,50,993 shares of Rs. 2 each

Conversion of FCCBs into equity shares

Out of USD 46 million FCCBs issued by the Company, USD 25 million FCCBs were converted into equity upon exercise of conversion right by the bond holders and an amount of USD 21 million FCCBs were outstanding as on March 31, 2009.

Subsidiary and joint venture

Singapore

The details of Singapore-based subsidiary - "ICSA International PTE LTD", the financials of which are included in this Annual Report.

Intellectual property rights

During 2008-09, your Company secured registration for three of its below mentioned designs granted by the patent office under the provisions of the Designs Act, 2000 and the Design Rules, 2001

- Automatic Meter Reading Apparatus
- Protector for Pipelines for Oil and Gas

Recognition and awards

- ICSA was awarded "Deloitte Technology Fast 500 Asia Pacific 2008" programme for the consecutive second year 2008.
- CSA was awarded "Deloitte Technology Fast 50 India 2008" programme for the consecutive second year 2008.
- BT 500 India's most valuable companies published by Business Today ranked ICSA at 289 from its earlier ranking of 358.
- Economic Times Investors Guide ranked ICSA at No.1 among ETIG's Top 100 fast growing small companies titled as "Small Wonders".
- Dalal Street ranked ICSA at fifth position among the top 25 medium companies in terms of sales and net profit
- Business Today listed ICSA as the India's most "Investor-Friendly" companies
- Economic Times - ET500 Companies List published in

ShareBazaar.com ranked ICSA at 260 among the list of top 500 companies basing on their rankings and their market capitalisation.

Acquisitions and new projects

A. During the year under review, your Company has acquired:

i. Plant & Machinery and equipment of Energy Meter division based in Hyderabad of ECE Industries Limited

ii. Entire assets and business of Sri Teja Industries, Hyderabad

B. Your Company also forayed into wind power business by setting up two wind farms units.

Dividend

Your Board of Directors recommended a dividend of Rs. 1.40 (70 per cent) per equity share of Rs. 2 each, for the financial year 2008-09.

Fixed deposits

The Company did not invite any fixed deposits from the public during the year.

Insurance

The Company's properties and assets are adequately insured.

Directors' responsibility statement

Pursuant to Section 217 (2AA) as incorporated by the Companies (Amendment) Act, 2000, in the Companies Act, 1956, your Directors confirm

1. That in the preparation of the annual accounts, the applicable accounting standards were followed along with proper explanation relating to material departures
2. That the Directors selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit of the Company for the year under review
3. That the Directors took proper and sufficient care to maintain adequate accounting records in accordance with provisions of the Companies Act, 1956, for safeguarding the Company's assets and for preventing and detecting fraud and other irregularities
4. That the Directors prepared the annual accounts on a going concern basis.

Directors

Mr. Shyam Sunder Reddy retires by rotation and being eligible offered himself for reappointment.

Auditors

Mr. Allani Mahender, Chartered Accountant, the existing Statutory Auditor has conveyed his intention as not to continue as Statutory Auditors of the Company after the conclusion of the ensuing Annual general meeting, on account of his preoccupations.

Accordingly it is proposed to appoint M/S. VDNR & Associates, Chartered Accountants, Hyderabad as Auditors of the Company in place of Mr. Allani Mahender, Chartered Accountant, to hold office until conclusion of the next Annual general meeting at a remuneration to be fixed by the Board

Employees

The information required under Section 217(2A) of the Companies Act, 1956, and the rules made there under is given in the annexure to this Report, which forms a part of this Report.

Listing at stock exchange

The Company's equity shares continue to be listed on The Bombay Stock Exchange Ltd and The National Stock Exchange. Foreign currency convertible bonds are listed on the Singapore Stock Exchange. The annual listing fee for the years 2008-2009 and 2009-2010 have been paid to these exchanges.

Report on Corporate Governance

Your Company has been practicing the principles of good Corporate

Governance over the years and it is a continuous and ongoing process. A detailed Report on Corporate Governance is given as Annexure 'A' to this Report. Report on Corporate Governance including Auditor's Certificate on compliance with the code of Corporate Governance under Clause 49 of the Listing Agreement is enclosed as Annexure to this Report.

Employee stock options

As required by Clause 12 of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the particulars of the stock options under associate

Stock option plans are furnished as Annexure - C.

Conservation of energy, technology absorption, foreign exchange earnings and outgo

Information as required to be furnished under the provisions of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are as hereunder:

Conservation of energy

Energy conservation measures taken up

ICSA uses electrical energy for its equipment such as air-conditioners, computer terminals, lighting and utilities at work places. As an ongoing process, we continue to undertake the following measures to conserve energy

- Incorporating new technologies in the air conditioning system in upcoming facilities to optimise power consumption.
- Identification and replacement of low-efficient machinery (AC) in a phased manner.
- Identification and replacement of outdated and low-efficient UPS systems in a phased manner.

The Company has also in place the internal control procedures by which the cost of the electricity shall be identified with the project and thereby there will be an incentive for the concerned department to consume optimum power.

Additional investment and proposals for reduction of consumption of energy: Nil.

Total energy consumption requirement: Not applicable, as the Company is not engaged in any of the specified industries specified in Schedule 1 to the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988.

Research and Development

The Company is committed to continue its efforts in Research and Development. Our Research and Development activities will help us gear for future opportunities. We invest and encourage continuous innovation.

Technology absorption, adoption and innovation

Efforts made in technology absorption : Enclosed - Form 'B'

Acknowledgements

Your Directors thank all investors, customers, vendors, banks, and service providers as well as regulatory and government authorities for their continued support. Your Directors greatly appreciate and thank the significant contributions of employees in the initiatives of the Company.

By the order of the Board of Directors
for **ICSA (INDIA) LIMITED**

Sd/-

G. Bala Reddy
Chairman-cum-Managing Director

Place: Hyderabad
Date: August 21, 2009

annexure to directors' report

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of employees) Rules, 1975, as amended and forming a part of the Directors Report for the year ended March 31, 2009

Sl. no.	Name of the employee and age	Designation and nature of the duties	Qualification and experience	Date of commencement of employment	Last employment Held	Remuneration
1	G. Bala Reddy, 42 years	Chairman-cum-Managing Director	MA with 20 years	December 31, 1996	Nil	Rs. 6,88,66,210
2	N. K. Chaturvedi, 53 years	CEO-Tech	BE, MBA Mktg and sales with 28 years	November 27, 2007	C&S Protection and Control limited	Rs. 2,858,100
3	Mohd. Abdul Rub, 45 years	CEO-Infra	B.Tech with 20 years	October 24, 2008	BS Transcomm Ltd	Rs. 1,230,622
4	N. Venkat Reddy, 46 years	Executive Directors	BE (Electricals) with 18 years	June 8, 2005 till May 6, 2008	Kuwait Cement Co.	Rs. 2,00,000

Annexure to Directors' Report

FORM 'B'

(See rule 2)

Form for disclosure of particulars with respect to absorption, Research and Development (R & D)

1.	Specific area in which R & D carried out by the Company	Embedded solutions
2.	Benefits derived as a result of the above R & D	We believe that our R & D activities will help us gear up for future opportunities.
3.	Future plans of action	The Company will continue R & D in the embedded solutions.
4.	Expenditure on R & D	Rs. 1,983.79 lakh
	a) Capital	Nil
	b) Recurring	Rs. 1,983.79 lakh
	c) Total	Rs. 1,983.79 lakh
	d) Total R & D expenditure as a percentage of total turnover	1.80 per cent

Technology absorption, adaptation and innovation

1.	Efforts, in brief, made towards technology absorption:	Adaptation and innovation
2.	Benefits derived as a result of the above efforts:	Benefits like product improvement, cost reduction, product development and import substitution, among others.

3. In case of imported technology (imported during last five years reckoned from the beginning of the financial year) following information

a) Technology imported : Nil

b) Year of import : Not applicable

c) If not fully absorbed, areas where this did not take place, reasons therefore the same and future plan of action : Not applicable

4. Foreign exchange earnings and outgo :

1) Activities relating to exports, initiatives taken to increase exports, developments of new export markets for products and services and export plans : The Company is making continuous efforts to improve embedded software exports and is also entering into execution of infrastructure projects

2) Total foreign exchange used and earned :

a. Foreign exchange earnings : Rs. 11,425.17 lakh

b. Foreign exchange outgo : Rs. 776.28 lakh

Annexure – C to Directors' Report

Details of ESOPs:

Sl. no.	Description	ESOP - 2005	ESOP - 2006	ESOP - 2007
1	Options granted	3,00,000 options of Rs. 2 each	2,50,000 options of Rs. 2 each	5,00,000 options of Rs. 2 each
2	Pricing formula	The 'Exercise price' for conversion of each stock option into one equity share shall be the price, at a discount of 25 per cent - 50 per cent (at the discretion of compensation committee) of closing market price on the date of the grant, on the stock exchange which recorded the highest trading volume	60 per cent – 70 per cent	80 per cent – 95 per cent
3	Options vested	1,05,000	37,500	1,50,000
4	Total number of shares arising as a result of exercise of options	1,05,000	37,493	1,50,000
5	Options lapsed	Nil	Nil	Nil
6	Variation of terms of options	Nil	Nil	NIL

Sl. no.	Description	ESOP - 2005	ESOP - 2006	ESOP - 2007
7	Money realised by exercise of options	Rs. 60,90,000	Rs. 25,49,524	34,50,000
8	Total number of options in force as on 31.03.2009	1,50,000	2,12,507	3,50,000
9	Employee-wise details of options granted to			
	i. Senior managerial personnel	Enclosure - 1	Enclosure - 1	Enclosure - 1
	ii. Any other employee who received a grant in any year of options amounting to 5 per cent or more of options granted during the year	Nil	Nil	Nil
	iii. Identified employees who were granted options, during any one year, equal to or exceeding 1 per cent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil	Nil	Nil

Enclosure I

Employee-wise details of options of Rs. 2 each granted to senior managerial personnel and in force (i.e., options outstanding) as on the date of Report

Sl. no.	Name of the employee	Designation	ESOP - 2005	ESOP - 2006	ESOP 2007
1	P. Kodanda Ramaiah	Director (Technical)	1,875	3,750	8,400
2	S. S.Dua	Independent and Non-Executive Director	1,250	2,000	0
3	Y. V. Ramana Reddy	Independent and Non-Executive Director	1,250	0	0
4	N. K. Chaturvedi	Chief Executive Officer	0	0	1,750
5	M. S. Rao	Chief Technical Officer	0	0	3,500
6	T. V. Ramana	Resident Advisor	1,875	3,750	7,000
7	Dr. T. Srinivasulu	General Manager	1,250	2,500	0
8	K. Arun Kumar	Company Secretary	0	1,125	3,430
9	K. V. Krishnan	GM - Projects	0	0	3,500
10	K. Srinivasa Rao	General Manager - HR	0	1,750	4,200
11	Ch. Kodanda Ram Reddy	GM-HR (Infra)	0	1,750	4,200
12	Bhola Ravinder Kumar	GM-Purchases	0	0	1,400

corporate governance

The Board of Directors of the Company supports the broad principles of Corporate Governance. Your Company has been practicing sound Corporate Governance over the years.

1. Company's philosophy on code of governance

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and integrity. At ICSA, all employees are guided by a code of conduct, which sets forth the Company's policies on important issues, including relationship with our customers, shareholders and government. Global capital investors feel comfortable in an environment where the bedrock of Corporate Governance is best protected and practiced and bypass where Corporate Governance is limited or not followed. Companies stand to gain by adopting systems that bolster stakeholders' trust through transparency, accountability and fairness.

2. Board of Directors

Composition

The Board of Directors has combination of Executive and Non-Executive Directors. The Board comprises two Executive and four Non-Executive Directors as on 31.03.2009, in conformity with the Listing Agreement.

Name of the Director	Category of Director	Designation
Mr. G. Bala Reddy	Promoter Executive	Chairman-cum-Managing Director
Mr. P. Kodanda Ramaiah	Executive	Director - Technical
Mr. S. S. Dua	Independent and Non-Executive	Director
Mr. Y. V. Ramana Reddy	Independent and Non-Executive	Director
Mr. V. Shyam Sunder Reddy	Independent and Non-Executive	Director
Mr. Carlos Moslaris	Independent and Non-Executive	Director
Mr. N. Venkata Reddy #	Executive	Executive Director

Mr. N. Venkata Reddy - Executive Director resigned on 6.05.2008.

Mr. V. Shyam Sunder Reddy retires by rotation and being eligible, offers himself for reappointment.

Meetings and attendance

Attendance of each Director at the Board meetings and Last Annual General Meeting:

Name of the Director	Number of meetings held	Number of meeting attended	Attendance at last AGM	Number of other companies		
				Directorships as on 31.03.2009	Committee memberships	Committee Chairmanships
Mr. G. Bala Reddy	21	21	Yes	5	1	Nil
Mr. P. Kodanda Ramaiah	21	21	Yes	0	Nil	Nil
Mr. N. Venkata Reddy	21	2	No	0	Nil	Nil
Mr. S. S. Dua	21	Nil	Yes	2	Nil	Nil
Mr. Y. V. Ramana Reddy	21	21	Yes	1	Nil	Nil
Mr. V. Shyam Sunder Reddy	21	21	Yes	1	Nil	Nil
Mr. Carlos Moslaris	21	Nil	No	0	Nil	Nil

Number of other BoD or Board committees in which he/she is a member or Chairperson as on March 31, 2009:

Name of the Director	Committees			
	Audit	Remuneration	Shareholders	Compensation
Mr. P. Kodanda Ramaiah	Member	Member	Member	Chairman
Mr. Y. V. Ramana Reddy	Member	Chairman	Chairman	Member
Mr. V. Shyam Sunder Reddy	Chairman	Member	Member	Member

Number of Board of Directors meetings and dates on which held

Serial number	Date	Date	Date
1	24.04.2008	08.10.2008	04.03.2009
2	06.05.2008	15.10.2008	
3	31.05.2008	11.11.2008	
4	17.06.2008	25.11.2008	
5	21.07.2008	06.12.2008	
6	28.07.2008	17.12.2008	
7	06.08.2008	15.01.2009	
8	29.08.2008	20.01.2009	
9	20.09.2008	30.01.2009	
10	30.09.2008	05.02.2009	

Board meeting procedures

The draft agenda papers along with all relevant information to be discussed at the upcoming Board meeting is sent to the Directors wherever possible, at least ten days prior to the Board meeting to invite the suggestions from each Board member for their views and for the inclusion of items on the agenda if any. Relevant materials to be considered at the meeting are circulated to the Board before the Board meeting.

Information supplied to the Board

The Board of Directors of ICSA (INDIA) LIMITED is presented with various issues affecting the business and environment whenever applicable and materially significant. The Board is also given presentations covering finance, sales, compliance and marketing covering all the major business operations and segments of the Company at each of the scheduled Board meetings. The processes for Board and committee meetings facilitate an effective post meeting follow-up, review and reporting process for the decisions taken by the Board of Directors.

Directors' membership in Boards/committees of other companies

As per the Listing Agreement, no Director can be a member in more than 10 committees or act as chairman of more than five committees across all companies in which he is a Director. In terms of the Listing Agreement, none of the Directors of our Company were members in more than 10 committees nor acted as chairman of more than five committees across all companies in which they were Directors.

Shareholdings of Directors as on 31.03.2009:

Serial number	Name of the Director	Number of shares held
1	Mr. G. Bala Reddy	77,92,433
2	Mr. P. Kodanda Ramaiah	6,225
3	Mr. S. S. Dua	3,100
4	Mr. Y. V. Ramana Reddy	2,500

3. Committees of the Board

A. Audit Committee

The terms of reference, composition and meetings of Audit Committee are described as hereunder:

i. Brief description of terms of reference

ii. Composition, name of members and Chairperson

iii. Meetings and attendance during the year

I. Brief description of the terms of reference of the Audit Committee

The Audit Committee reviews, acts and reports to the Board of Directors with respect to:

- Auditing and accounting matters, including the appointment of independent auditors;
- Company compliance with legal and statutory requirements;
- Integrity of the Company's financial statements, the scope of the annual audits and fees to be paid to the independent auditors;
- Performance of the Company's internal audit function, independent auditors and accounting practices and other matters as may be required in accordance with the rules and regulation of the exchanges from time to time.

Although the financial results are sent to the Audit Committee and the Board at the same time, the Audit Committee reviews the audited quarterly, half-yearly and yearly financial results with the management before submitting them to the Board for its consideration and approval. The Chairman of the Audit Committee is present at the Annual General Meeting.

II. Composition and qualifications

The Audit Committee comprises of the following three independent non-executive Directors as on 31.03.2009.

Mr. V. Shyam Sunder Reddy	Chairman
Mr. Y. V. Ramana Reddy	Member
Mr. P. Kodanda Ramaiah	Member

None of the members receive, directly or indirectly, any consulting, advisory or compensatory fees from the Company other than their remuneration as a Director.

III. Meetings and attendance during the year

The Audit Committee met five times during the financial year 2008-09 as mentioned below:

Serial number	Date	Committee strength	Number of members present
1	24.04.2008	3	3
2	28.07.2008	3	3
3	29.08.2008	3	3
4	15.10.2008	3	3
5	30.01.2009	3	3

Attendance at Audit Committee meetings during the financial year:

Name of Director	Number of meetings attended
Mr. V. Shyam Sunder Reddy	5
Mr. Y. V. Ramana Reddy	5
Mr. P. Kodanda Ramaiah	5

B. Remuneration and Compensation committees

The terms of reference, composition and meetings of Remuneration and Compensation committees are described as hereunder:

i. Brief description of terms of reference of Remuneration Committee

- To determine salaries, benefits to employees and Directors of your Company
- Develop and recommend, to the Board, Corporate Governance guidelines applicable to the Company
- Implement policies and processes relating to Corporate Governance principles

ii. Composition

The Remuneration Committee comprises the following three independent non-executive members of the Board, as below:

Mr. Y. V. Ramana Reddy	Chairman
Mr. V. Shyam Sunder Reddy	Member
Mr. P. Kodanda Ramaiah	Member

iii. Brief description of terms of reference of Compensation Committee

- To determine stock option grants to employees and Directors of your Company.

iv. Composition

The Compensation Committee comprises the following members of the Board, as below:

Mr. P. Kodanda Ramaiah	Chairman
Mr. Y. V. Ramana Reddy	Member
Mr. V. Shyam Sunder Reddy	Member

iv. Meetings and attendance during the year

The Remuneration Committee met once in the year and all members were present. Compensation Committee met three times in a year and all members were present in all such meetings.

v. Remuneration policy and criteria of making payments to Executive and Non-Executive Directors

Executive Directors

Executive Directors are paid remuneration within the limits envisaged under Schedule XIII of the Companies Act, 1956. The remuneration payable is recommended by the Remuneration and Compensation Committee to the Board and is approved by the Board as well as the shareholders of the Company.

Non-Executive Director

Non-Executive Independent Directors are reimbursed the actual expenses incurred for attending meetings. During the year no sitting fee/other remunerations were paid to the Non-Executive Directors

vii. Details of remuneration to all Directors

The details of remuneration paid/payable for the financial year 2008-09 to the Directors of the Company are as follows:

Name of the Director	Relationship with other Directors	Remuneration	Commission
Mr. G. Bala Reddy	None	Rs. 2,75,40,000	Rs. 4,13,26,210
Mr. P. Kodanda Ramaiah	None	Rs. 14,64,000	NIL

C. Shareholders' & Investors' Grievance Committee

Brief description of the terms of reference

The Shareholders & Investors Grievance Committee administers mainly the following:

- Transfer of shares
- Transmission of shares
- Issuance of duplicate share certificates as and when required with approval of the Board
- Shareholders/Investors grievance issues from time to time and redresses the same

The composition of Non-Executive Directors managing the committee and other details are described as hereunder:

The composition of the Shareholders'/Investors' Grievances Committee is as follows:

Mr. Y. V. Ramana Reddy	Chairman
Mr. V. Shyam Sunder Reddy	Member
Mr. P. Kodanda Ramaiah	Member

Name and designation of compliance officer as on 31.03.2009: Mr. K Arun Kumar - Company Secretary

4. Management discussion and analysis report

Management discussion and analysis report as required under Clause 49 (IV) (F) is given as Annexure to this report.

5. CEO/CMDs' declaration

Pursuant to the provisions of Clause 49 (I) (D) (ii) of the Listing Agreement, the declaration by Chairman and Managing Director of the Company declaring that all the members of the Board and the senior management personnel of the Company have affirmed compliance with the code of conduct of the Company, is set out as an Annexure to this report.

6. CEO/ CFO certification

As required under Clause 49 of the Listing Agreement with the stock exchanges, the Managing Director, Director (Technical) and General Manager (Finance & Accounts) certified to the Board the financial statements for the year ended 31st March, 2009 and is set out as an Annexure to this report.

7. General body meetings

General information pertaining to last three years Annual General Meetings is as follows:

i. Location and time where last three Annual General Meetings were held are given below:

Financial year	Date and Time of AGM	Location of the meeting
2005-06	September 30, 2006 10.30 a.m.	Sundarayya Viganana Kendram, Baghlingampally, Hyderabad
2006-07	September 28, 2007 10.30 a.m.	Kohinoor - I, Taj Deccan, Banjara Hills, Hyderabad
2007-08	September 30, 2008 12.00 p.m.	Kohinoor - II, Taj Deccan, Banjara Hills, Hyderabad

ii. Details of special resolutions, postal ballot during the previous four AGMs:

Date of the AGM	Number of special resolutions passed	Resolutions requiring postal ballot	Postal ballot procedure
September 28, 2005 10.30 a.m	3	Nil	Nil
September 30, 2006 10.30 a.m.	5	Nil	Nil
September 28, 2007 10.30 a.m.	7	Nil	Nil
September 30, 2008 12.00 p.m.	4	Nil	Nil

8. Disclosures

i. Related party transactions

The details of related party transactions during the year under review are shown in notes to accounts which form part of this report.

ii. Compliances by the Company

During the last three years, no penalties or strictures were imposed on the Company by the stock exchanges or SEBI or any other statutory authorities on matters related to capital markets.

iii. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause

Your Company complied with all the mandatory requirements of the Clause 49 of the Listing Agreement. The details of these compliances have been given in the relevant sections of this report.

9. Means of communication

The Company regularly intimates unaudited, as well as audited financial results to the stock exchanges immediately after these are taken on record by the Board. These financial results are published in the newspapers and also on the website of the Company www.icsa-india.com. The official news releases are also displayed on the Company's website.

10. General shareholder information

The requirement of general shareholders information is described as hereunder:

i. Annual General Meeting

Day, Date and Time	Wednesday, September 30, 2009 at 12.00 noon.
Venue	At the Kohinoor, Hotel Taj Deccan, Banjara Hills, Hyderabad

ii. Financial calendar

The Company follows April-March as its financial year. The results for every quarter beginning from April are declared in the month following the relevant quarter.

iii. Date of book closure:

From September 23, 2009 to September 24, 2009 inclusive of both days.

iv. Listing on stock exchanges and stock code

S.No	Listing on stock exchanges with stock code	Stock code	Address
1	Bombay Stock Exchange Limited	531524	P J Towers, Fort, Mumbai - 400 001
2	National Stock Exchange Limited	ICSA	Exchange Plaza, Bandra Kurla Complex, Bandra (East) Mumbai - 400 051

v. Listing fee

The Company paid the listing fee for the year 2009-10 to BSE and NSE

vi. Annual Custodial Charges to Depositories

The Company paid annual custodial charges for the year 2009-10 to National Securities Depository Limited and Central Depository Services (India) Limited.

vii. High/Low during each month of the financial year:

Month	BSE price		Number of shares traded
	High (Rs.)	Low (Rs.)	
April 2008	503.80	338	14,81,004
May 2008	502	396	7,81,128
June 2008	410	297.90	8,59,098
July 2008	327.40	254	11,74,481
August 2008	401.05	302	16,57,513
September 2008	350	200	16,03,466
October 2008	232.25	138	35,65,136
November 2008	210.40	166.25	27,73,208
December 2008	179.30	127.15	18,36,661
January 2009	154.80	80	30,13,559
February 2009	101.35	72.05	49,73,917
March 2009	92.80	48.35	1,88,84,282

viii. Registrar & Share transfer Agent Address

CIL Securities limited

214, Raghava Ratna Towers, Chirag Ali Lane, Abids,

Hyderabad – 500 001

ix. Transfer system

The share transfers are affected twice every month and dispatched to the respective holders.

x. Distribution of shareholding as on 31.03.2009:

Number of shares		Number of holders	% of holders	Number of shares	% of shares
From	To				
1	5,00	30,936	97.62	59,31,961	12.64
501	1,000	364	1.15	13,34,788	2.84
1,001	2,000	182	0.57	13,52,599	2.88
2,001	3,000	63	0.20	7,95,155	1.69
3,001	4,000	20	0.06	3,56,764	0.76
4,001	5,000	16	0.05	3,72,198	0.79
5,001	10,000	42	0.13	14,42,148	3.07
10,001 and	above	69	0.22	3,53,65,380	75.33
Total		31,692	100	4,69,50,993	100

xi Shareholding pattern as on 31.03.2009:

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of(A+B)1	As a percentage of (A+B+C)	Number of shares	As a percentage
(A)	Shareholding of Promoter and Promoter Group2							
1	Indian							
(a)	Individuals/ Hindu undivided family	3	97,08,083	94,44,093	20.68	20.68	8,00,000	8.24
(b)	Central Government/ State government(s)							
(c)	Bodies corporate							
(d)	Financial institutions/ Banks							
(e)	Any others (Specify)							
	Sub total (A) (1)	3	97,08,083	94,44,093	20.68	20.68	8,00,000	8.24
2	Foreign							
A	Individuals (non-residents individuals/ foreign individuals)							
b	Bodies corporate							
c	Institutions							
d	Any others (Specify)							
	Sub total (A) (2)	0	0	0	0	0	0	0
	Total shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	3	97,08,083	94,44,093	20.68	20.68	8,00,000	8.24
(B)	Public shareholding							
1	Institutions							
(a)	Mutual funds/ UTI	3	1,63,943	1,63,943	0.35	0.35		
(b)	Financial institutions / Banks	2	31,000	31,000	0.07	0.07		
(c)	Central Government/ State government(s)							
(d)	Venture capital funds							
(e)	Insurance companies	3	5,15,726	5,15,726	1.10	1.10		
(f)	Foreign institutional investors	53	1,86,23,798	1,86,23,798	39.67	39.67		
(g)	Foreign venture capital investors							

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of(A+B)1	As a percentage of (A+B+C)	Number of shares	As a percentage
(h)	Any other (specify)							
	Sub-total (B)(1)	61	1,93,34,467	1,93,34,467	41.18	41.18	0	0
B 2	Non-institutions							
(a)	Bodies corporate	1,218	46,94,529	46,94,529	10.00	10.00		
(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	29,764	82,57,237	77,91,336	17.59	17.59		
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	16	37,87,265	37,87,265	8.07	8.07		
(c)	Any other (specify)							
(c-i)	NRI's	630	11,69,412	11,69,412	2.49	2.49		
	Sub-Total (B)(2)	31,628	1,79,08,443	1,74,42,542	38.14	38.14	0	0
(B)	Total public shareholding (B)= (B)(1)+(B)(2)	31,689	3,72,42,910	3,67,77,009	79.32	79.32	0	0
	Total (A)+(B)	31,692	4,69,50,993	4,62,21,102	100	100	8,00,000	1.70
(C)	Shares held by custodians and against which depository receipts have been issued	0	0	0	0	0	0	0
	Grand total (A)+(B)+(C)	31,692	4,69,50,993	4,62,21,102	100	100	8,00,000	1.70

xii Dematerialisation of shares and liquidity

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both NSDL and CDSL. As on March, 2009, 98.45 per cent of the Company's equity share capital stood dematerialised.

Demat ISIN No. for NSDL and CDSL for equity shares - INE117B01012.

xiii Outstanding GDRs/ADRs/warrants or any convertible instrument, conversion date and likely impact on equity:

The Company did not issue any GDRs/ADRs.

By the order of the Board of Directors

for I C S A (INDIA) LIMITED

Sd/-

G. Bala Reddy
Chairman & Managing Director

Place: Hyderabad
Date: August 21, 2009

Annexure to Corporate Governance Report

Certification by CMD, Director (Technical) & General Manager (Finance & Accounts) of the Company

To the Board of Directors of ICSA (INDIA) Limited,

We, G. Bala Reddy, Managing Director, CMD, P. Kodanda Ramaiah, Director (Technical) and A. Ravindranath Reddy, General Manager (F&A) of the Company do hereby jointly and severally certify that:

(a) We reviewed financial statements and the cash flow statement for the year ended March 31, 2009, and that to the best of our knowledge and belief:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There were, to the best of our knowledge and belief, no transactions entered into by the Company during the year which were fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee that:

(i) There have not been any significant changes in internal control over financial reporting during the year under reference;

(ii) There has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and

(iii) there has not been any instances during the year of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

for I C S A (INDIA) LIMITED

Sd/-

Date: August 21, 2009	G. Bala Reddy	P. Kodanda Ramaiah	A. Ravindranath Reddy
Place: Hyderabad	CMD	Director (Technical)	General Manager (F&A)

Annexure to Corporate Governance Report

Declaration under Clause 49 of the Listing Agreement regarding adherence to the code of conduct

I, G. Bala Reddy, Chairman & Managing Director of the Company, hereby declare that the Board of Directors has laid down a Code of Conduct for its Board members and senior management personnel of the Company and the Board members and senior management personnel have affirmed compliance with the said code of Conduct.

By the order of the Board of Directors

for I C S A (INDIA) LIMITED

Sd/-

G. Bala Reddy
Chairman & Managing Director

Place: Hyderabad
Date: August 21, 2009

Auditor's Certificate on Corporate Governance

To
The Members of
I C S A (India) Limited

I have examined the compliance of conditions of corporate governance by ICSA(India) Limited, for the year ended on 31.03.2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges(s).

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliances of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the directors and the management:

I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing Agreement.

As required by the guidance note issued by the Institute of Chartered Accounts of India, I have to state that, the Company has certified that as on March 31, 2009 there were no investor grievances remaining pending for a period exceeding one month, and as explained to me by the management, the Company has reported to the share holders/ investors grievance committee regularly on the statement of such grievances.

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

Date: August 21, 2009
Place: Hyderabad

Allani Mahender
Chartered Accountant
Membership No.: 025746

financial section

Auditor's Report

The Members of
ICSA (INDIA) LIMITED

1. I have audited the attached Balance Sheet of ICSA (INDIA) LIMITED, as at March 31, 2009, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's Management. My responsibility is to express an opinion on the financial statements based on my audit.

2. I conducted my audit in accordance with the auditing standards generally accepted in India. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. I believe that my audit provides a reasonable basis for my opinion.

3. As required by the Companies (Auditor's Report) order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, I enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said order.

4. Further to my comments in the annexure referred to above, I report that :

   i) I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of my audit;

   ii) In my opinion, proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;

   iii) The balance sheet, the profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;

   iv) In my opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

   v) On the basis of written representations received from the directors, as on March 31, 2009 and taken on record by the Board of Directors, I report that none of the Directors is disqualified as on March 31, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Sec. 274 of the Companies Act, 1956;

   vi) In my opinion and to the best of my information and according to the explanations given to me, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (a) in the case of balance sheet, of the state of affairs of the Company as at March 31, 2009;

      (b) in the case of profit and loss account, of the profit for the year ended on that date; and

      (c) in the case of the cash flow statement, of the cash flows for the year ended on that date:

Allani Mahender
Chartered Accountant
Membership No.: 025746

Place: Hyderabad
Date: August 21, 2009

Annexure to the Auditor's Report

Re: ICSA (INDIA) LIMITED

Referred to in paragraph 3 of my report of even date.

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) All the assets have been physically verified by the management during the year, and there is also a regular programme of verification which, in my 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, according to the information and explanations given to me.

(ii) (a) The inventory has been physically verified during the year by the management. In my opinion, the frequency of verification is reasonable.

(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) (a) The Company has not taken loans from or granted to other companies covered in the register maintained under section 301 of the Companies Act, 1956.

(b) In my opinion, there were no other terms and conditions.

(c) Since the Company has not taken any loans the repayment of principal and Interest dose not arise.

(d) There is no overdue amount of loans taken from or granted to companies, firms, other parties listed in the register maintained under section 301 of the Companies Act, 1956.

(iv) In my opinion and according to the information and explanations given to me, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of my audit, I have not observed any continuing failure to correct major weaknesses in internal control system of the Company.

(v) (a) According to the information and explanations given to me, I am of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

(b) In my opinion and according to the information and explanations given to me, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs 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.

(vi) In my opinion and according to the information and explanations given to me, the Company has not accepted public deposits covered by the provisions of sections 58 A and 58AA of the act and the rules framed there under.

(vii) In my opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) The provisions of Section 209 (1)(d) of companies act 1956 are not applicable to the Company.

(ix) (a) 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, service tax, custom duty, excise duty and other material statutory dues applicable to it.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act ,1956 ,I am not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

(b) According to the information and explanation given to me, no undisputed amounts payable in respect of sales tax, service tax, customs duty and excise duty were in arrears, as at March 31, 2009 for a period of more than six months from the date they become payable.

(c) According to the information and explanation given to me, there were no dues of income tax, sales tax, service tax , customs duty , and excise duty, which have not been deposited on account of any dispute.

(x) In my opinion, the Company has no accumulated losses. Further, the Company has not incurred cash losses during the financial year covered by my audit and the immediately preceding financial year.

(xi) In my opinion and according to the information and explanations given to me, the Company has not defaulted in repayment of dues to a financial institution, or banks.

(xii) I am of the opinion that the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and the Company is not required to maintain any records thereof.

(xiii) In my opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

(xiv) In my opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

(xv) In my opinion, the Company has not given any guarantees for loans taken by others from banks or financial institutions.

(xvi) In my opinion, the term loans have been applied for the purpose for which they were raised.

(xvii) According to the information and explanations given to me and on an overall examination of the balance sheet of the Company, I report that the no funds raised on short-term basis have been used for long-term investment.

(xviii) According to the information and explanations given to me, the Company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act and Stock Options were issued to Directors. In my opinion the price at which shares have been issued is not prejudicial to the interest of the Company.

(xix) According to the information and explanations given to me, during the period covered by my audit report, the Company had not issued any debentures.

(xx) The Company had not raised any money by public issues during the period covered by audit.

(xxi) According to the information and explanations given to me, no fraud on or by the Company has been noticed or reported during the course of my audit.

Allani Mahender
Chartered Accountant
Membership No.: 025746

Place: Hyderabad
Date: August 21, 2009

Balance Sheet as at March 31, 2009

(Amount in Rs.)

	Schedule		31.03.2009		31.03.2008
I. SOURCES OF FUNDS:					
(1) Share Holders Funds :					
(a) Capital	1	93,901,986		88,017,000	
(b) Application Money	2	1,425,014		86,135,000	
(c) Reserves and Surplus	3	5,876,931,061	5,972,258,061	3,567,341,648	3,741,493,648
(2) Loan Funds :					
(a) Secured Loans	4	3,001,065,297		1,098,787,381	
(b) Un-Secured Loans	5	915,000,000	3,916,065,297	915,000,000	2,013,787,381
(3) Deferred Tax Liability			142,714,100		168,005,400
Total			10,031,037,458		5,923,286,429
II. APPLICATION OF FUNDS:					
(1) Fixed Assets:	6				
(a) Gross Block		1,923,576,264		983,022,669	
(b) Less: Depreciation		186,998,899		66,247,156	
(c) Net Block			1,736,577,365		916,775,513
(2) Investments	7		26,113,904		26,113,904
(3) Current assets, loans and advances	8				
(a) Inventories		826,666,985		649,045,009	
(b) Sundry debtors		5,095,301,453		3,190,055,524	
(c) Cash and bank balances		216,532,449		585,436,079	
(d) Other current assets		839,306,770		477,817,911	
(e) Loans and advances		2,275,792,498		1,110,637,636	
		9,253,600,155		6,012,992,159	
Less: Current liabilities & provisions :	9				
(a) Liabilities		1,015,482,181		1,054,549,254	
(b) Provisions		405,275,597	7,832,842,377	316,327,931	4,642,114,973
(4) Miscellaneous expenses to the extent not written off or adjusted	10		435,503,812		338,282,038
Total			10,031,037,458		5,923,286,429
(5) Significant Accounting Policies	18				
(6) Notes on Accounts	19				

As per my report of even date

for and on behalf of the board

Allani Mahender
Chartered Accountant

G. Bala Reddy
Chairman-cum-Managing Director

P. Kodanada Ramaiah
Director Technical

K. Arun Kumar
Company Secretary

Date : August 21, 2009
Place : Hyderabad

Profit and Loss Account for the year ended March 31, 2009

(Amount in Rs.)

	Schedule	31.03.2009	31.03.2008
I. INCOME :			
(1) Sales / Services Rendered		11,004,247,420	6,706,924,748
(2) Dividend		74,700	1,274,954
(3) Interest		16,667,485	69,675,957
(4) Other Income	11	916,321	7,693,220
Total		11,021,905,927	6,785,568,878
II. EXPENDITURE :			
(1) Cost of materials consumed	12	5,413,671,786	4,417,353,092
(2) Direct / Manufacturing Expenses		2,399,883,865	120,719,663
(3) Selling Expenses		40,478,107	20,185,453
(4) Salaries, Wages and other employee Benefits	13	162,171,703	103,106,351
(5) Managerial remuneration	14	70,530,210	46,608,268
(6) Interest & Financial Charges	15	537,846,919	271,221,999
(7) Depreciation	6	120,751,743	34,386,742
(8) Auditors Remuneration		4,000,000	4,000,000
(9) Administrative expenses	16	157,822,944	142,135,722
(10) Research & Development Exp., W/off		48,438,166	48,438,166
		8,955,595,444	5,208,155,457
III. Profit / (loss) before tax (I - II)		2,066,310,484	1,577,413,421
IV. Tax Expense	17	484,315,700	465,988,966
V. Profit / (loss) after tax (III - II)		1,581,994,784	1,111,424,455
VI. Prior Period Adjustments		(53,386,299)	(21,952,020)
VII. Profit for the year		1,528,608,485	1,089,472,435
Profit / (Loss) Brought Forward		1,544,131,370	625,444,110
Profit available for Appropriation		3,072,739,855	1,714,916,545
VIII. Proposed Dividend			
a. Final Dividend		65,958,885	52,855,192
b. Corporate Dividend Tax		11,209,712	8,982,740
		77,168,597	61,837,932
Profit available for transfer to Balance Sheet		2,995,571,258	1,653,078,613
IX. Transfer to			
General Reserves		152,860,849	108,947,244
Balance carried to Balance Sheet		2,842,710,409	1,544,131,370
X. Earning per share (Par value Rs. 2/- per Share)			
Basic (No. of Shares used in calculation 45357208 @ Rs. 2/- each)		33.70	
Diluted (No. of Shares used in calculation 50740503 @ Rs. 2/- each)		30.79	
Basic (No. of Shares used in calculation 39523107 @ Rs. 2/- each)			27.57
Diluted (No. of Shares used in calculation 48892963 @ Rs. 2/- each)			23.19
XI Significant Accounting Policies	18		
XII Notes on Accounts	19		

As per my report of even date

for and on behalf of the board

Allani Mahender
Chartered Accountant

G. Bala Reddy
Chairman-cum-Managing Director

P. Kodanada Ramaiah
Director Technical

K. Arun Kumar
Company Secretary

Date : August 21, 2009
Place : Hyderabad

Schedules to the Balance Sheet as at March 31, 2009

(Amount in Rs.)

		31.03.2009		31.03.2008
1 SHARE CAPITAL				
Authorised				
7,50,00,000 Equity Shares of Rs. 2/- each		150,000,000		150,000,000
Issued, Subscribed and Paid Up				
4,40,08,500 Equity Shares of Rs. 2/- each fully paid up.		-		88,017,000
4,69,50,993 Equity Shares of Rs. 2/- each fully paid up.		93,901,986		-

		31.03.2009		31.03.2008
2 APPLICATION MONEY				
Share Warrants Application Money		-		85,125,000
ESOP Application Money		1,425,014		1,010,000
		1,425,014		86,135,000

		31.03.2009		31.03.2008
3 RESERVES AND SURPLUS				
i. Capital Reserve		24,970,000		-
ii. Share Premium Account		2,471,947,484		1,784,427,900
iii. General Reserve				
Opening Balance	186,684,279		77,737,035	
Add: Additions during the year	152,860,849	339,545,128	108,947,244	186,684,278
iv. Profit & (loss) Account				
Opening Balance	1,544,131,370		625,444,110	
Add: Additions during the year	1,298,579,039	2,842,710,409	918,687,260	1,544,131,370
v. Reserve for Employee Stock Option Scheme		197,758,040		52,098,100
		5,876,931,061		3,567,341,648

		31.03.2009		31.03.2008
4 SECURED LOANS				
A. Loans & Advances:				
1 Working Capital Loans from Banks:				
(Details of Securities are as per point No. 13 of Notes on Accounts)				
i. Bank of India	695,969,644		337,990,651	
ii. Punjab National Bank	386,337,789		-	
iii. State Bank of India (Project Specific)	200,311,943		-	
iv. State Bank of India	715,260,028		520,109,209	
v. Union Bank of India	195,074,598		199,954,806	
vi. Bank of India	9,914,931		35,000,000	
vii. HSBC	360,000,000		-	
		2,562,868,932		1,093,054,666
2 Term Loans:				
(Details of Securities are as per point No. 13 of Notes on Accounts)				
i. Andhra Bank		432,744,300		-
ii. Vehicle Loans		5,452,065		5,732,715
		3,001,065,297		1,098,787,381

		31.03.2009		31.03.2008
5 UNSECURED LOANS				
FCCBs (Foreign Currency Convertible Bonds)		915,000,000		915,000,000
		915,000,000		915,000,000

Schedules to the Balance Sheet as at March 31, 2009

6 FIXED ASSETS AND DEPRECIATION

(Amount in Rs.)

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Particulars	As at 01.04.2008	Additions	Deletions	As at 31.03.2009	As at 01.04.2008	For the Year	Deletions	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
Land	4,316,612	33,979,168	-	38,295,780	-	-	-	-	38,295,780	4,316,612
Building	20,268,963	21,229,688	-	41,498,651	115,141	368,171		483,312	41,015,339	20,153,822
Furniture & Fixtures	7,934,548	559,576	-	8,494,124	1,946,634	510,176	-	2,456,810	6,037,314	5,987,914
Office Equipment	5,439,487	2,615,247	-	8,054,734	533,256	327,683	-	860,939	7,193,795	4,906,231
Vehicles	11,195,514	5,715,493	-	16,911,007	1,485,677	1,371,580	-	2,857,257	14,053,750	9,709,837
Electrical Installations	1,479,239	-	-	1,479,239	346,426	93,636	-	440,062	1,039,177	1,132,813
Computers	241,806,122	20,111,202	-	261,917,324	47,799,636	38,693,394	-	86,493,030	175,424,294	194,006,486
Plant & Machinery (Projects)	140,392,375	837,921,558	-	978,313,933	6,675,221	3,517,550	-	10,192,771	968,121,162	133,717,154
Development Software	386,783,436	615,000	-	387,398,436	5,163,651	49,381,380	-	54,545,031	332,853,405	381,619,785
Testing Tools	163,406,373	17,806,663	-	181,213,036	2,181,514	26,488,173	-	28,669,687	152,543,349	161,224,859
Total	983,022,669	940,553,595	-	1,923,576,264	66,247,156	120,751,743	-	186,998,899	1,736,577,365	916,775,513
Previous year figures	138,568,597	844,454,073	-	983,022,669	31,860,414	34,386,742	-	66,247,156	916,775,513	106,708,183

(Amount in Rs.)

	31.03.2009	31.03.2008
7 INVESTMENTS		
A. Current Investment		
Investments in Shares & Debentures	6,127,455	6,127,455
B. Long Term Investments		
In Subsidiary Companies		
ICSA International Pte., Limited	19,986,449	19,986,449
	26,113,904	26,113,904

	31.03.2009		31.03.2008	
8 CURRENT ASSETS, LOANS & ADVANCES				
A. Current Assets:				
i. Inventories				
a) Stock in Trade	194,583,436		367,034,447	
b) Work-in-progress	232,225,846		282,010,562	
	426,809,282		649,045,009	
Work-in-progress_ Sub-Contractors	399,857,703	826,666,985	-	649,045,009
ii. Sundry Debtors (Unsecured, Considered good)				
a) Outstanding for more than six months	953,059,730		553,133,830	
b) Outstanding for less than six months	4,142,241,723	5,095,301,453	2,636,921,694	3,190,055,524
iii. Cash and bank balances				
a) Cash on Hand	2,896,266		2,020,244	
b) Balance with Schedule Banks				
In Current Accounts & FDs	213,636,183	216,532,449	583,415,835	585,436,079
iv. Other Current Assets				
a) Interest Accrued on Investments	4,142,534		5,130,552	
b) Deposits with Banks				
i. For BGs & LCs	658,393,361		281,033,359	
ii. Earnest money deposits	51,354,523		47,219,625	
c) Other Deposits	82,510,596		108,253,153	
d) Other Current Assets	42,905,756	839,306,770	36,181,223	477,817,911
v. Loans & Advances (Advances recoverable in Cash or kind or for value to be received)				
a) Advances to Suppliers	1,581,277,715		362,935,524	
b) TDS	91,585,678		28,741,452	
c) Prepaid insurance	2,122,032		1,288,052	
d) Employee Advances	11,713,532		3,590,952	
e) Other Advances	589,093,542	2,275,792,498	714,081,656	1,110,637,636
		9,253,600,155		6,012,992,159

Schedules to the Balance Sheet as at March 31, 2009

(Amount in Rs.)

		31.03.2009		31.03.2008
9 CURRENT LIABILITIES & PROVISIONS				
A. Current Liabilities :				
a) Sundry Creditors		875,608,833		810,945,592
b) Creditors for Expenses		21,583,087		9,622,462
c) Unclaimed Dividend		2,193,832		1,422,196
d) Advances from Customers		19,497,725		199,512,247
e) Other Liabilities		96,598,705		33,046,757
		1,015,482,181		1,054,549,254
B. Provisions :				
a) Provision for Income Tax		300,006,000		252,533,000
b) Provision for Fringe Benefit Tax		28,101,000		1,957,000
c) Proposed Dividend		65,958,885		52,855,192
d) Provision for Corporate Dividend Tax		11,209,712		8,982,740
		405,275,597		316,327,931
10 MISCELLANEOUS EXPENDITURE				
(To the extent not written off or adjusted)				
a) FCCB Issue Expenses	51,670,348		56,943,972	
Add: Additions During the year	-		54,960,000	
	51,670,348		111,903,972	
Less : Written Off.during the year	-	51,670,348	60,233,624	51,670,348
b) Deferred Employee Compensation	52,098,100		15,607,575	
Add: Additions During the year	224,850,000		37,150,000	
	276,948,100		52,757,575	
Less : Written Off.during the year	79,190,060	197,758,040	659,475	52,098,100
c) Deferred Revenue development expenditure :				
Research & Development Expenses	234,513,590		100,037,474	
Add: Additions During the year	-		182,914,282	
	234,513,590		282,951,756	
Less : Written Off.during the year	48,438,166	186,075,423	48,438,166	234,513,590
		435,503,812		338,282,038

Schedules to the Profit and Loss Account for the year ended March 31, 2009

(Amount in Rs.)

		31.03.2009		31.03.2008
11 OTHER INCOME				
a) Discount received		10,418		20,901
b) Other receipts		905,903		7,672,319
		916,321		7,693,220
12 COST OF MATERIALS CONSUMED				
(a) Opening Stock	649,045,009		288,773,923	
(b) Purchases	5,191,436,059		4,777,624,178	
	5,840,481,068		5,066,398,101	
(c) Less : Closing Stock	426,809,282	5,413,671,786	649,045,009	4,417,353,092

Schedules to the Profit and Loss Account for the year ended March 31, 2009

(Amount in Rs.)

		31.03.2009	31.03.2008
13	**SALARIES, WAGES AND OTHER EMPLOYEE BENEFITS**		
a)	Salaries, allowances and other benefits	154,675,426	98,619,743
b)	Contribution to PF & other Funds	5,507,448	3,426,848
c)	Incentives and Staff Welfare	1,988,829	1,059,760
		162,171,703	103,106,351
14	**MANAGERIAL REMUNERATION**		
a)	Directors Remuneration	28,280,000	14,430,000
b)	Managerial Commission	41,326,210	31,548,268
c)	Managerial allowances	924,000	630,000
		70,530,210	46,608,268
15	**INTEREST & FINANCIAL CHARGES**		
a)	Interest & Finance Charges	254,219,939	131,158,934
b)	Exchange fluctuation	184,969,571	92,910,276
c)	Bank Charges	98,657,409	47,152,789
		537,846,919	271,221,999
16	**ADMINISTRATIVE EXPENSES**		
a)	Advertisement	1,534,051	2,066,005
b)	Books & Periodicals and Memberships	2,266,542	204,130
c)	Communications	4,584,107	4,710,121
d)	Consultancy / Professional fees	47,552,658	1,224,995
e)	Conveyance & Travelling Expenses	22,476,570	8,282,291
f)	Donations	1,880,801	811,667
g)	Electricity Charges	3,327,849	1,262,808
h)	FCCB Issue Expenses W/off	-	60,233,624
i)	General Expenses	6,516,473	1,136,649
j)	Insurance	4,918,193	1,619,718
k)	Listing / Processing fee	297,469	406,080
l)	Meeting expenses	3,035,562	393,547
m)	Office maintenance	4,979,953	1,922,027
n)	Postage and courier	2,692,027	947,668
o)	Printing and stationery	2,320,303	1,754,092
p)	Rates, Taxes & Registration Fee	8,770,923	32,323,006
q)	Recruitment & Training	739,074	426,005
r)	Rent	27,786,805	11,729,298
s)	Repairs and maintenance	1,149,192	1,081,841
t)	Service charges	-	722,743
u)	Tender Documents	5,984,931	4,249,439
v)	Vehicle Maintenance	5,009,461	4,627,969
		157,822,944	142,135,722
17	**TAX EXPENSE**		
a)	Current Tax	480,006,000	324,033,000
b)	Deferred Tax	(25,291,300)	139,498,966
c)	Fringe Benefit Tax	29,601,000	2,457,000
		484,315,700	465,988,966

Schedules to the Accounts for the year ended March 31, 2009

18 SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE ACCOUNTS

1. System of Accounting

   The Company adopts the accrual concept in the preparation of the Accounts. The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from the estimates.

2. Revenue Recognition

   Revenue from services are recognised as and when the services are performed. Sales are stated at selling price inclusive of all taxes.

   Expenditure on software purchase and developed/customised during the year is treated as revenue expenditure.

   Interest income : Interest income is recognised on a time proportion basis.

3. Foreign Currency Transactions

   i) Initial Recognition: Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

   ii) Exchange Differences: Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, or recognised as income or as expenses in the year in which they arise.

4. Inventories

   Raw materials: Raw materials are valued at cost or net realisable values, whichever is lower on FIFO basis.

   Work-in-process: Work in process is valued at cost.

5. Fixed Assets

   i. Tangible Fixed Assets

   Tangible Fixed Assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing asset to its working condition for its intended use. Borrowing cost relating to acquisition of fixed assets which take a substantial period of time to get ready for its intended use or also included to the extent they relate to the period till such assets are ready to be put to use.

   ii. Intangible Fixed Assets and amortisation:

   Intangible assets have finite useful lives and are measured at cost and amortised over their expected useful economical lives as follows: Research and development costs are expensed, except for certain development cost which are capitalised from the time commercial and technological feasibility criteria's are met. Expenditure already charged to the profit & loss account is not restated. The capitalised cost is amortised on completion of the project over 5 years on a straight line basis.

6. Depreciation and amortisation

   Depreciation on tangible Fixed Assets is provided using the straight line method, at the rates prescribed under schedule XIV of the Companies Act, 1956. Depreciation on additions during the year is provided on a pro-rata basis. Assets costing Rs. 5,000/- each are written off in the year of capitalisation.

7. Income Taxes

   Tax expense, comprises of current, deferred and fringe benefit tax. Current tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities in accordance with the Indian income tax Act. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

   Deferred tax assets and liabilities are measured, based on tax rates and laws enacted are substantively enacted at the balance sheet date.

   Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward of unabsorbed depreciation and tax losses and deferred tax assets are recognised only if there is virtual certainty, supported by convincing evidence, that such deferred tax assets can be realised against future taxable profits. At each balance sheet date, the Company re-assesses unrecognised deferred tax assets. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonable certain that future taxable income will be available against which such deferred tax assets can be realised.

Schedules to the Accounts for the year ended March 31, 2009

18 SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE ACCOUNTS (Contd.)

8. Deferred Revenue Expenditure

   The Expenditure incurred on issue of FCCBs is amortised in proportion to the conversion of FCCBs into Equity Share Capital as and when the conversion takes place.

9. Investments

   Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. Current investments are measured at cost or market value, which ever is lower, determined on an individual investment basis. All other investments are classified as long term investments. Long term investments are measured at cost, however provision for diminution in value is made to recognised a decline other than temporary in the value of the investments.

10. Employee Benefits- Retirement benefits

    Retirement benefits in the form of Provident Fund and Superannuation scheme are defined contribution schemes and the contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contributions payable to the respective authority.

11. Earning per share

    Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity share holders by the weighted average number of equity shares out standing during the period are adjusted for the events of conversion of FCCB's.

    For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

12. Provisions

    A provision is recognised when the Company has a potential obligation as a result of past event and it is provable that an out flow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

13. Cash and cash equivalents

    Cash and cash equivalents in the cash flow statement comprise cash at bank and cash in hand and FDRs.

14. Use of estimates:

    The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operation during the reporting period end. Although these estimates based upon management best knowledge of current events and actions, actual results could differ from these estimates.

15. Segment report policies

    Identification of segments : The Company's operating businesses are organised and managed according to the nature of products and services provided to offer similar products serving similar markets.

16. Borrowing cost

    Borrowing costs include interest and commitment charges on borrowings, amortisation costs incurred in connection with arrangement of borrowings. Costs incurred on borrowings directly attributable to development projects, which take a substantial period of time to complete, are capitalised within the development / producing asset for each cost center.

    All other borrowing costs are recognised in the profit and loss account in the period in which they are incurred.

19 NOTES FORMING PART OF THE ACCOUNTS

1. The Company has no contingent liabilities as on March 31, 2009, acknowledged as debts except the Bank Guarantees given to various government departments to the extent of Rs. 223.07 Crores and letters of credit of Rs. 32.54 Crores.

2. The Company has no dues outstanding more than 30 days to any Small Scale Industrial undertaking as on March 31, 2009.

3. All the balances of loans and advances, sundry debtors and sundry creditors are subject to confirmation from the concerned parties individually.

19 NOTES FORMING PART OF THE ACCOUNTS (Contd.)

4. The Company amortised FCCB issue expenses in proportion to conversion of FCCBs into Equity Share Capital as and when the conversion takes place.

   The expenditure incurred on research and development up to the financial year 2007-08, is amortised over a period of Five Years. The research expenditure incurred during the current financial year 2008-2009 of Rs. 19,83,78,799/- is expensed entirely during this financial year only.

5. Inventory:

   Inventory is valued at cost or net realisable value, whichever is less on FIFO basis. Inventories are verified and certified by the management.

6. The Company has allotted 2,92,493 Equity shares of Rs. 2 each to the employees of the Company on exercise of Employees Stock Options and 26,50,000 Equity Shares of Rs. 2 each to Preferential allottees upon conversion of Fully Convertible Warrants.

7. Segmental Reporting: *(Rs. in Lakh)*

Description	Software Services, and embedded solutions	Products and Projects related to power sector	Un-allocable	Total
Segment Revenue	66,350.72	4,3691.75	-	1,10,042.47
Segment Results-(Operating profit)	25,082.99	6,339.54	-	31,422.54
Net Fixed Assets	6,644.52	10,338.29	382.96	17,365.77
Net Current Assets	43,974.59	32,188.51	2,165.32	78,328.42
Secured Loans	9,269.19	18,606.02	30,010.65	30,010.65
Un-secured Loans	-	9,150.00	-	9,150.00

The segment wise secured loans and un-secured loans cannot be segregated because these funds were mobilised to meet the capital expenses, mergers and acquisitions.

8. In compliance with Accounting Standard 22 relating to accounting for taxes on income issued by the Institute of Chartered Accountants of India, the Company has accounted for Deferred Tax, the details of which are given below: *(Amount in Rs.)*

	31.03.2009	31.03.2008
Deferred tax liabilities recognised for timing differences due to:		
Depreciation	46,83,07,152	35,98,03,380
Research & Development	(4,84,38,166)	13,44,76,115
Total	41,98,68,985	49,42,79,495
Net Deferred Tax liability	14,27,14,100	16,80,05,400
Differed tax expenses Charged to Profit and Loss Account	-	13,94,98,966
Differed tax revenue transferred to Profit and Loss Account	2,52,91,300	-

9. Earning per share:

   Earning per share is computed as under in accordance with Accounting Standard 20 Earning per share' in respect of profit for the year:

Description	31.03.2009 (Per Equity Share of Rs. 2/- each)	31.03.2008 (Per Equity Share of Rs. 2/- each)
Profit available for Appropriation	152,86,08,485	108,94,72,435
Adjusted Profits Rs.	156,20,86,306	113,36,14,531
No. of shares - Basic	4,53,57,208	3,95,23,107
No. of Shares - Diluted	5,07,40,503	4,88,92,963
EPS - Basic Rs.	33.70	27.57
EPS - Diluted Rs.	30.79	23.19

The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year. The number of shares used in computing Diluted EPS comprises of weighted average shares considered for deriving Basic EPS, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

19 NOTES FORMING PART OF THE ACCOUNTS (Contd.)

10. Related parties information:

Information regarding related party transactions as per Accounting Standard 18 is given below:

Party	Relationship
ICSA International PTE Limited	100% Subsidiary
B R G Energy Limited	Associate
B S N Pharma Limited	Associate
Sahasra Investments Pvt Limited	Associate
Softpro Systems Limited	Associate
P.R. Cements Limited	Associate

Key Management Personnel as on March 31, 2009

Name	Designation
G Bala Reddy	Chairman and Managing Director
P Kodanda Ramaiah	Director Technical

Details of Transactions between the Company and Related parties and status of outstanding balances as on March 31, 2009:

i. The Company has invested Rs. 1,99,86,449/- towards acquisition of equity in its Subsidiary - ICSA International PTE Limited.

ii. There was an outstanding balance of Rs. 50,76,38,421.91 as on March 31, 2009, on account of sums paid towards execution of works contracts and also purchase of transformers at market prices prevailing on the date of transactions, from BRG Energy limited.

iii. A sum of Rs. 2,57,86,892/- was paid to Softpro Systems Ltd, towards office rent for the financial year 2008-2009.

Summary of Transactions with key management personnel: *(Amount in Rs.)*

Description	31.03.2009	31.03.2008
Directors Remuneration	2,92,04,000	1,50,60,000
Commission to Managing Director	4,13,26,210	3,15,48,268

The following amounts were incurred towards Director's salary: *(Amount in Rs.)*

Description	31.03.2009	31.03.2008
Chairman-cum-Managing Director	2,75,40,000	1,24,50,000
Executive Director	2,00,000	18,00,000
Technical Director	14,64,000	8,10,000

11. The details of Foreign Exchange earnings and outgo are given below: *(Amount in Rs.)*

Description	31.03.2009	31.03.2008
i) Foreign Exchange earnings		
Exports	113,69,19,814	69,53,96,090
Interest	55,96,778	5,31,72,217
Total	1142516592	74,85,68,307
ii) Foreign Exchange outgo		
Import of materials	57,24,516	2,36,95,698
Interest & Bank Charges	2,43,56,644	3,15,26,364
Professional Charges	-	43,41,340
Investments in ICSA International PTE Ltd	-	1,82,36,399
Lead Manger's Fee	-	3,52,80,000
Advance to customers	4,47,44,911	4,67,65,732
Business Promotion	16,88,774	-
Foreign Travel	11,13,016	43,71,574
Total	7,76,27,861	16,42,17,107

19 NOTES FORMING PART OF THE ACCOUNTS (Contd.)

12. Auditor's remuneration:

(Amount in Rs.)

Particulars	31.03.2009	31.03.2008
i) Statutory Audit fee	30,00,000	30,00,000
ii) Tax Audit fee	2,50,000	2,50,000
iii) Certification fee	2,50,000	2,50,000
iv) Other Services	5,00,000	5,00,000

13. 1. The Company has been availing various credit limits from SBI Somajiguda, Bank of India Khairatabad, UBI Khairatabad, PNB Chennai and HSBC Somajiguda Branches. Under the multiple banking arrangements the following securities have been given for availing credit limits, the details of which are given below:

    A. First Charge on both current & fixed assets of the Company ranking pari passu with other banks under multiple banking arrangements.

    B. Exclusive Charge to SBI on Flat No.: 1092, situated at Sector - A, Pocket A, (SAS Category - III), Vasant Kunj, New Delhi.

    2. The Company has availed term loan facilities from Andhra Bank, Sultan Bazar, Hyderabad Branch, of Rs. 45.7 Crores and the following securities have been offered to Andhra Bank:

    A. The term loan is secured by hypothecation of wind mills at Tamil Nadu and Karnataka and mortgage of the land pertaining to these wind mill plants.

    B. Second charge on the existing fixed assets of the Company.

14. Investments comprising shares in other companies are valued at cost and classified as current investments.

15. Additional information pursuant to provisions of the Para 3 and 4 of Part II of Schedule VI of the Companies Act, 1956.

    a) The Company is engaged in the business of development and maintenance of technology solutions which includes embedded solutions and software for Power, Oil, Gas and other sectors. The production and sale of such solutions cannot be expressed in any generic units and hence, it is not possible to give quantitative details.

    b) The Company is also engaged in the business of providing energy Audit solutions to bring down Transmission & Distribution (T&D) losses by using its technologies for power distribution companies. Wherein there are number of components involved in production / assembling execution and it is not possible for us to give quantitative details of purchase of such components which are small in value and large in quantity.

    c) The Company is also engaged in the business of Rural Electrification, Construction of Sub stations, Conversion of LT line to HT lines etc. Due to the nature of job, it is difficult to furnish quantitative details.

16. Figures are rounded off to the nearest rupee.

17. Previous year figures are regrouped or reclassified wherever necessary to conform to the presentation during the year.

Signatures to Schedule 1 to 19

for and on behalf of the board

Date : August 21, 2009	G. Bala Reddy	P. Kodanada Ramaiah	K. Arun Kumar
Place : Hyderabad	*Chairman-cum-Managing Director*	*Director Technical*	*Company Secretary*

Balance Sheet Abstract

BALANCE SHEET ABSTRACT AND COMPANY BUSINESS PROFILE

a) Registration details

Registration No.	01-16969	State Code	01
Balance Sheet date	31-03-2009		

b) Capital Raised During the year *(Amount in Rs. thousands)*

Public issue	NIL	Rights issue	NIL
Bonus issue	NIL	Private placement & others	5885

c) Position of mobilisation & Deployment of funds *(Amount in Rs. thousands)*

Total Liabilities	10031037	Total Assets	10031037
Sources of Funds:			
Paid up capital	93902	Reserves & Surplus	5876931
Secured Loans	3001065	Un-Secured Loans	915000
Application money	1425	Differed tax	142714
Applications of funds:			
Net fixed Assets	1736577	Investments	26114
Net current assets	7832842	Misc., Expenses	435504
Accumulated assets	NIL		

d) Performance of the Company *(Amount in Rs. thousands)*

Turnover	11004247	Total Expenses	8955595
Profit before tax	2066310	Profit after tax	1581995
Earning per share (Basic)	33.70	Dividend rate	70%
Earning per share (Diluted)	30.79		

e) Generic name of two principal products of the Company *(as pet monetary items)*

Item code	N.A
Product description	Software Services, Embedded Solutions & Power Infrastructure Projects

for and on behalf of the board

Date : August 21, 2009	G. Bala Reddy	P. Kodanada Ramaiah	K. Arun Kumar
Place : Hyderabad	*Chairman-cum-Managing Director*	*Director Technical*	*Company Secretary*

Cash Flow Statement for the year ended March 31, 2009

(Rs. in lakhs)

		31.03.2009	31.03.2008
A)	CASH FLOW FROM OPERATING ACTIVITIES		
	Net profit before tax and extraordinary items	20,663.10	15,774.13
	Adjustment for:		
	Depreciation	1,207.52	343.87
	Dividend income	(0.75)	(12.75)
	Interest income	(166.67)	(696.76)
	Misc. Expenses written off	(972.22)	(1,656.93)
	Prior period Adjustments	(533.86)	(219.52)
	Interest and Finance Charges	5,378.47	2,712.22
	Operating profit before working capital change	25,575.59	16,244.26
	Increase in sundry debtors	(19,052.46)	(14,535.53)
	Increase in other current assets	(15,266.44)	(12,623.99)
	Increase in inventories	(1,776.22)	(3,602.71)
	Increase in sundry creditors	(390.67)	3,231.39
	Cash Generated from Operations		
	Income Taxes paid	(4,449.73)	(2,096.00)
	Cash flow before extraordinary items	(15,359.93)	(13,382.53)
	Extraordinary items (Differed Rev. Exp.)	-	-
	Net cash from operative activities	(15,359.93)	(13,382.53)
B)	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of fixed assets	(9,405.54)	(8,444.54)
	Purchase of investments	-	(243.64)
	Interest received	166.67	696.76
	Dividend received	0.75	12.75
	Net cash used in investing activities	(9,238.11)	(7,978.67)
C)	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from issue of share capital	7,793.25	15,970.85
	Proceeds from long term borrowings	19,022.78	5,533.70
	Interest paid	(3,528.77)	(1,783.12)
	Dividend paid	(528.55)	(302.64)
	Net cash used in financial activities	22,758.70	19,418.79
	Net increase in cash and cash equivalents	(1,839.34)	(1,942.41)
	Cash and cash equivalents at beginning of the year	5,854.36	8,725.87
	Effects of Changes in Foreign Exchange Rates	(1,849.70)	(929.10)
	Cash and cash equivalents at end of the year	2,165.32	5,854.36

As per my report of even date

for and on behalf of the board

Allani Mahender
Chartered Accountant

G. Bala Reddy
Chairman-cum-Managing Director

P. Kodanada Ramaiah
Director Technical

K. Arun Kumar
Company Secretary

Date : August 21, 2009
Place : Hyderabad

Section 212

Statement pursuant to Section 212 of Companies Act, 1956 in respect of the Subsidiary Company:

S. No.	Particulars / Name of the Subsidiary Company	ICSA International PTE Limited
1.	Financial Year of the Subsidiary Company ended on	March 31, 2009.
2.	Date from which it became subsidiary Company	Jan 3, 2007 (Incorporation Date)
3.	Number of shares held by Holding Company in the subsidiary Company	5,00,000 shares of SGD 1 $ each
4.	Extent holding of ICSA International PTE Ltd	100%
5.	Net Aggregate amount of profit / (losses) of the subsidiary so far as they concern numbers of ICSA International PTE Ltd	
	a) for the current financial year of the Subsidiary	
	i. Dealt with in the account of the Holding Company	INR (1,21,30,203/-)
	ii. Not Dealt with in the accounts of the Holding Company	NIL
	b) For the previous financial years since it became subsidiary	
	i. Dealt with in the account of the Holding Company	INR 34,53,931 /-
	ii. Not Dealt with in the accounts of the Holding Company	NIL
6.	As the financial year of the subsidiary coincides with the financial year of the Holding Company, Section 212(5) of the Companies Act, 1956 is not applicable.	

for and on behalf of the board

G. Bala Reddy
Chairman-cum-Managing Director

P. Kodanada Ramaiah
Director Technical

K. Arun Kumar
Company Secretary

Date : August 21, 2009
Place : Hyderabad

Directors' Report For the financial year ended March 31, 2009

The Directors submit their report together with the audited financial statements of the Company for the year ended March 31, 2009

Directors:
The directors in office at the date of this report are:-
GOPU BALA REDDY
MUTHUKRISHNAN SHIVKUMAR
TANGIRALA VENKATA RAMANA
BHAMIDIPATINAG BHUSHAN RAO

Arrangements to enable directors to acquire shares or debentures:
Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the company or any other body corporate.

Directors' Interest in Shares or Debentures:
According to the register of directors shareholdings, none of the directors holding office at the end of the financial year had any interest in the share capital or debentures of the Company or any related corporations except as stated below :-

	Holdings registered in the name of director	
	As at 01.04.2009	As at 31.03.2008
ICSA (INDIA) LTD	Ordinary shares of Rs. 2/ - each	Ordinary shares of Rs. 2/ - each
GOPU BALA REDDY	7,792,433	6,214,400

Directors' contractual benefits:
During the year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or by a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest other than those disclosed in the financial statements.

(i) Management fee paid to a shareholder in which some of the directors are interested.

Options granted:
During the year, there were no options to take up unissued shares of the Company.

Options exercised:
During the year, no shares have been issued by virtue of the exercise of options granted.

Options outstanding:
There were no shares options outstanding, as at March 31, 2009.

Independent Auditors:
The Independent Auditors MGI Singapore Pac, have expressed their willingness to accept re-appointment.

On behalf of the directors

Bhamidipatinag Bhushan Rao	Muthukrishnan Shivkumar
Director	*Director*

Singapore, Date: August 14, 2009

STATEMENT BY DIRECTORS

In the opinion of the directors, the accompanying balance sheet, Income statement, statement of changes in equity and cash flow statement together with the notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2009 and of the results of the business, changes in equity and cash flows of the Company for the financial year ended on that date and at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.
On behalf of the directors.

On behalf of the directors

Bhamidipatinag Bhushan Rao	Muthukrishnan Shivkumar
Director	*Director*

Singapore, Date: August 14, 2009

Independent Auditor's Report

To
The Members of
ICSA INTERNATIONAL PRIVATE LIMITED

We have audited the accompanying financial statements of the Company, which comprise the balance sheet of the Company as at March 31, 2009, the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap.50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes: selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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.

Other matter:
The financial statements for this financial year ended March 31, 2008 were audited by auditors other than MGI Singapore Pac, whose report dated August 15, 2008 expressed an unqualified opinion on those statements.

Opinion
In our opinion,

a) the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at March 31, 2009 and the results, changes in equity and cash flows of the Company for the year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

MGI Singapore PAC
Certified Public Accountant
(A Member of MGI International)

Place: Singapore
Date: August 14, 2009

Balance Sheet as at March 31, 2009

(Amount in $)

	Notes	2009	2008
ASSETS			
Non - Current Assets			
Plant & equipment	5	11,736	23,471
Current Assets			
Trade and other receivables	6	92,028	588,577
Cash and cash equivalents	7	39,057	23,969
		131,085	612,546
Total Assets		142,821	636,017
LIABILITIES AND EQUITY			
Current Liabilities			
Accruals	8	9,950	7,500
Provision for tax	9	10,700	10,700
		20,650	18,200
Equity			
Issued capital	10	500,000	500,000
Accumulated (losses) /Retained profit		(377,829)	117,817
Shareholders equity		122,171	617,817
Total Liability and Equity		142,821	636,017

The annexed notes form an integral part of and should be read in conjunction with these financial statements

Detailed Trading and Profit and Loss Account for the year ended March 31, 2009

(Amount in $)

	2009
REVENUE - Service income	-
Other Income	1,664
Less: Expenses	
Audit fees	1,500
Accounting fee	7,200
Bank charges	313
Depreciation	11,735
Exchange loss	19,022
Entertainment expenses	1,288
Professional fee	200,114
Miscellaneous expenses	5,016
Medical expenses	3,686
Membership fee	200
Insurance	1,801
Professional fee	17,220
Repairs & maintenance	584
Rental expenses	53,253
Postage & courier	2,148
Stationery	1,654
Salary and cpf	122,991
Transportation	2,867
Travelling expenses	46,926
Telephone expenses	13,970
Utilities	1,042
	497,310
Net (loss)/profit for the year	(495,646)

Statements of Changes in Equity for the year ended March 31, 2009

(Amount in $)

	Issued Capital	Accumulated loss	Total
Balance as at March 31, 2007	100,000	(54,123)	45,877
Issue of shares	400,000	-	400,000
Profit for the year	-	171,940	171,940
Balance as at March 31, 2008	500,000	117,817	617,817
Loss for the year	-	(495,646)	(495,646)
Balance as at March 31, 2009	500,000	(377,829)	122,171

The annexed notes form an integral part of and should be read in conjunction with these financial statements

Income Statement for the year ended March 31, 2009

(Amount in $)

	Notes	2009	2008
Revenue - Service income	3	-	480,000
Other income		1,664	-
Staff Costs	4	126,677	65,351
Depreciation		11,735	11,735
Other operating expenses		358,898	220,274
	4	497,310	297,360
(Loss)/Profit before tax		(495,646)	182,640
Less: Tax expense	10	-	(10,700)
Net (loss)/ profit after tax		(495,646)	171,940

The annexed notes form an integral part of and should be read in conjunction with these financial statements

Fixed Assets Schedule

(Amount in $)

AT COST	Computer	F&F	Projector	Renovation	Total
As at March 31, 2008	6,107	5,720	1,499	21,880	35,206
Additions During the year					
As at March 31, 2009	6,107	5,720	1,499	21,880	35,206
ACCUMULATED DEPRECIATION					
As at March 31, 2008	2,036	1,907	499	7,293	11,735
Depreciation for the year	2,036	1,907	499	7,293	11,735
As at March 31, 2009	4,072	3,814	998	14,586	23,470
N.B.V as at March 31, 2008	4,071	3,813	1,000	14,587	23,471
N.B.V as at March 31, 2009	2,035	1,906	501	7,294	11,736

Cash Flow Statement for the year ended March 31, 2009

(Amount in $)

	Notes	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (Loss)/profit for the year before tax		(495,646)	182,640
Adjustment for:			
Depreciation		11,735	11,735
Operating (loss) / profit before reinvestment of capital		(483,911)	194,375
(Increase)/Decrease in trade and other receivables		496,549	(578,577)
Increase/(Decrease) in trade and other payables		2,450	7,500
Cash generated from / (used in) operations		15,088	(376,702)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		-	(33,506)
Net cash flows from investing activities		-	(33,506)
CASH FLOW FROM FINANCING ACTIVITIES			
Issue of share capital		-	400,000
Net cash flows from financing activities		-	400,000
Net Increase/(decrease) in cash & cash equivalents		15,088	(10,208)
Cash & cash equivalents at the beginning of the year		23,969	34,177
Cash & Cash equivalents at end of the year		39,057	23,969

The annexed notes form an integral part of and should be read in conjunction with these financial statements

Notes to the Financial Statements for the year ended March 31, 2009

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1) GENERAL INFORMATION

The financial statements of the Company for the year ended March 31, 2009 were authorised for issue in accordance with a resolution of the directors on the date of the Statement by Directors.

The Company is incorporated as a limited liability company and domiciled in the Republic of Singapore.

The principal activity of the Company is to carry out research and experimental development on engineering and other industrial design services.

The Company's registered office is 133, Cecil Street, #17-01, Keck Seng Tower, Singapore 069535.

2) SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements are prepared under the historical cost conventions and in accordance with Singapore Financial Reporting Standards ("FRS").The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of the financial statements in conformity with Singapore Financial Reporting Standards requires using of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

New Accounting Standards and FRS Interpretations

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after January 1, 2008. The Company's assessment of the impact of adopting those standards, amendments and interpretations that are relevant to the Company is set out below:

The Company has adopted FRS 107 Financial instruments: Disclosures and Amendments to FRS 1 presentation of Financial Statements-Capital Disclosures on January 1, 2008.

FRS 107 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including minimum disclosures about credit risk, liquidity risk and market risk (including sensitivity analysis to market risk).

It replaces the disclosure requirements in FRS 32: Financial instruments: Disclosure and Presentation. The amendment to FRS 1 introduces disclosures about the level of an entity's capital and how it manages capital.

The Company has assessed the impact of FRS 107 and the amendments to FRS 1 and concluded that the main additional disclosures will be the credit risks disclosures required by FRS 107, as well as the capital disclosures required by the amendment to FRS 1.

New Accounting Standards and FRS Interpretations not yet adopted

The Company has not applied the following accounting standards which are relevant (including their consequential amendments) and interpretations that have been issued as of the balance sheet date but are not yet effective:

Reference	Description	Effective for annual periods beginning on or after
FRS 1	- Presentation of Financial Statements-Revised presentation	January 1, 2009
FRS 23	Borrowing costs	January 1, 2009

2.2 Revenue recognition

Revenue is measured at this fair value of this consideration received or receivable and represent amount receivable for goods and services provided in the normal course of business, net of discounts.

Sale of services

Revenue from services that are short term duration is recognised upon completion of the services.

2.3 Financial Assets

Classification

The Company classifies its financial assets as loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are classified within "trade and other receivables" and "cash and cash equivalents" on the balance sheet.

Recognition and derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Measurement

Financial assets are initially recognised at fair value plus transaction costs. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Impairment

Loans and receivables

An allowance for impairment of loans and receivables, including trade and other receivables, is recognised when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in the income statement.

Financial liabilities include trade payables and other payables. Financial liabilities are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of the consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

2.4 Cash and Cash Equivalent

Cash and bank balances comprise cash on hand and balances with bank in current accounts.

2.5 Currency Translation

Functional currency

Items included in the financial statements are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Company ("the functional currency"). The financial statements are prepared in Singapore dollars, which is the functional currency of the Company.

Transactions and balances

Monetary assets and liabilities in foreign currencies are translated into Singapore dollars at rates of exchange closely approximating those ruling at balance sheet date. Transactions in foreign currencies are converted at rates closely approximating those ruling at transaction dates. Exchange differences arising from such transactions are recorded in the profit and loss account in the period in which they arise. However, where a foreign currency transaction is to be settled at a contracted rate or is covered by a related or matching forward exchange contract, the rate of exchange specified in the contract will be used and any corresponding monetary assets or liabilities will not be retranslated.

2.6 Income Taxes

Current income tax liabilities for current and prior periods are recognised at the amounts expected to be paid to the tax authorities, using the tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date.

Deferred income tax assets/ liabilities are recognised for all deductible / taxable temporary differences arising between the tax bases of assets and liabilities and tax assets/liabilities and their carrying amounts in the financial statements except when the deferred income tax assets /liabilities

From the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting not taxable profit or loss.

Deferred tax asset is recognised to the extent that is probable that future taxable profit will be available against which the temporary differences can be utilised.

Current and deferred income taxes are recognised as income or expenses in the income statement for the period, except to the extent that the tax arises from a transaction which is recognised directly to equity.

2.7 Borrowing Cost

Borrowing costs are expensed in the profit and loss account in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition or production of an asset which necessarily takes substantial period of time to prepare for its intended use or sale.

2.8 Related Party

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or significant influence. Related parties may be individuals or other entities.

2.9 Employee Benefits

The Company contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore, which applies to only one employee. The Company's contributions to CPF are charged to the profit and loss account in the period to which the contributions relate.

2.10 Property, Plant, Equipment And Depreciation

All items of property, plant and equipment are initially recorded at cost. All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

Depreciation is calculated on the straight-line basis to write off or revealed amount of other property, plant and equipment over their useful lives. The estimated useful lives are as follows:-

Computers	3 years
Furniture & Fixture	3 years
Projector	3 years
Renovation	3 years

2.11 Share Capital

Ordinary shares are classified as equity. Incremental external costs directly attributable to the issue of new shares, other than on a business combination, are shown in equity as a deduction, net of tax, from the proceeds. Share issue costs incurred directly in connection with a business combination are included in the cost of acquisition.

3. REVENUE

(Amount in $)

	Year ended 31.03.2009	Year ended 31.03.2008
Revenue - service income	-	480,000

4. PROFIT BEFORE TAX

This has been arrived after charging.

(Amount in $)

	Year ended 31.03.2009	Year ended 31.03.2008
Staff costs:		
Salary	93,184	65,351
CPF	21,659	-
Other benefits	8,148	-
	126,677	65,351

5. PROPERTY, PLANT & EQUIPMENT

(Amount in $)

	Computer	Furniture & Fixture	Projector	Renovation	Total
At cost					
As at 01.04.2008	6,107	5,720	1,499	21,880	35,206
Additions during the year	-	-	-	-	-
As at March 31, 2009	6,107	5,720	1,499	21,880	35,206
Accumulated Depreciation					
As at 01.04.2008	2,036	1,907	499	7,293	11,735
Charge for the year	2,036	1,907	499	7,293	11,735
As at March 31, 2009	4,072	3,814	998	14,586	23,470
Net book value					
At March 31, 2008	4,071	3,813	1,000	14,587	23,471
At March 31, 2009	2,035	1,906	501	7,294	11,736

6. TRADE AND OTHER RECEIVABLES

(Amount in $)

	Year ended 31.03.2009	Year ended 31.03.2008
Trade receivables - others	-	570,207
Deposits	17,030	18,370
Amount due from related party	74,519	-
Prepaid expenses	478	-
	92,028	588,577

Notes to the Financial Statements for the year ended March 31, 2009

7. CASH AND CASH EQUIVALENTS

(Amount in $)

	Year ended 31.03.2009	Year ended 31.03.2008
Cash at bank	38,551	22,969
Cash in hand	506	1,000
	39,057	23,969

Cash and cash equivalents are denominated in the following currencies. *(Amount in $)*

	Year ended 31.03.2009	Year ended 31.03.2008
Singapore dollars	36,965	21,900
United states dollars	2,092	2,069
	39,057	23,969

8. ACCRUALS

(Amount in $)

	Year ended 31.03.2009	Year ended 31.03.2008
Accruals	9,950	7,500
	9,950	7,500

Accruals are normally settled within 30-60 days terms.

9. TAXATION

(Amount in $)

	2009	2008
Current taxation	-	10,700
	-	10,700

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on company's profit as a result of the following: *(Amount in $)*

	Year ended 31.03.2009	Year ended 31.03.2008
Profit before taxation	(495,646)	182,640
Tax at statutory rate of 17% (2008:18%)	(89,216)	32,875
Expenses that are not deductible for tax purposes	2,554	2,467
Tax exemption	-	(22,242)
Tax on capital allowance	-	(2,400)
Tax benefit not recognised	86,662	-
	-	10,700

MOVEMENT

(Amount in $)

	Year ended 31.03.2009	Year ended 31.03.2008
Balance B/F	10,700	-
Paid during the year	-	-
Current tax	-	10,700
Balance C/F	10,700	10,700

Notes to the Financial Statements for the year ended March 31, 2009

10. SHARE CAPITAL

(Amount in $)

	2009	2008
Issued & fully paid up with no par value		
500,000 Ordinary shares	500,000	500,000

The holders of ordinary shares are entitled to receive dividend as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

11. CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development by issuing or redeeming equity and debts instruments when necessary.

The board of directors monitors its capital based on net debt and total capital. Net debt calculated as borrowings plus trade and other payables less cash and bank deposits. Total capital is calculated as equity plus net debt.

The Company is not subject to any externally imposed capital requirements.

(Amount in $)

	2009	2008
Net debt	(18,407)	(5,769)
Total equity	122,171	617,817
Total capital	103,734	612,048

11. RELATED PARTY TRANSACTIONS

During the financial year, significant transaction, other than those disclosed elsewhere in the financial statements, with a related party on terms agreed between the parties are as follows:-

(Amount in $)

	Year ended 31.03.2009	Year ended 31.03.2008
Management fee paid to a related party	-	150,000

Related party refers to a company/corporation in which there are common directors/officers who directly or indirectly controls both the corporations in their business and financial operation

12. FINANCIAL RISK MANAGEMENT

The Company does not have any written financial risk management policies and guidelines. The Company does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange. The Company's exposure to financial risks associated with financial instruments held in the ordinary course of business include:

a) Price risk

(i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company receives commission income in United States Dollars. The Company is exposed to foreign currencies exchange rate risk for the cash and cash equivalents denominated in United States dollars for working capital purposes. At the balance sheet date, such United States Dollar balance amounting to 86,730 for the Company.

The sensitivity of Company's profit net of tax to a reasonably possible change in the USD exchange rates against the respective functional currency of the Company, with all the variable held constant is insignificant for the year.

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Company has no interest-bearing financial instruments, hence, is not exposed to any movements in market interest rates.

(iii) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

The Company does not hold any quoted or marketable financial instrument, hence, is not exposed to any movements in market prices.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company has no significant concentrations of credit risk.

Cash is held with financial institutions of good standing/established financial institutions/ reputable financial institutions.

(c) Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company ensures that there are adequate funds to meet all its obligations in a timely and cost-effective manner.

The Company maintains sufficient level of cash and cash equivalents and has available adequate amount to meet its working capital requirements

(d) Cash flow risk

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount.

The Company is not exposed to any cash flows risk as it does not have any monetary financial instruments with variable interest rates.

(e) Fair value estimation of financial assets and liabilities

The fair values of financial assets traded in active markets are based on quoted market bid-prices at the balance sheet date. The fair values of currency forwards and the embedded foreign exchange derivatives are determined using actively quoted forward currency exchange rates.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts

13. COMPARATIVE FIGURES

Comparative figures were audited by another audit firm other than MGI Singapore Pac.

Certain comparative figures have been reclassified to confirm the current year's presentation. The following are the re statement of last year comparative figures based on current year's presentation.

(Amount in $)

2008	As restated	As stated
Balance sheet		
Current Assets		
Trade receivables	-	480,000
Deposits and other receivables	-	108,577
Trade and other receivables	588,577	-
	588,577	588,577

Consolidated Auditor's Report

The Board of Directors of ICSA (INDIA) LIMITED on the consolidated financial statements of ICSA (INDIA) LIMITED and its subsidiary.

1. I have audited the attached consolidated Balance Sheet of ICSA (INDIA) LIMITED (the group), as at March 31, 2009, the consolidated Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the ICSA (INDIA) LIMITED Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. My responsibility is to express an opinion on the financial statements based on my audit.

2. I conducted my audit in accordance with the auditing standards generally accepted in India. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. I believe that my audit provides a reasonable basis for my opinion.

3. I did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 173,40,925/- and total liabilities of Rs. 173,40,925/- as at March 31, 2009 and accumulated loss of Rs. 125,84,086/- for the year then ended. These financial statements and other financial information have been audited by other auditors whose report has been furnished to me, and my opinion is based solely on the report of other auditors.

4. I report that the consolidated financial statements have been prepared by ICSA (INDIA) LIMITED management in accordance with the requirements of Accounting standard (AS) 21 (consolidated financial statements), Accounting standard (AS) 23 (Accounting for investment in associates in consolidated financial statements) and Accounting Standard (AS) 27 (financial reporting of interest in joint ventures) issued by the institute of Chartered Accounts of India.

5. Based on my audit on consolidation of reports of other auditors on separate financial statements and on the other financial information of the subsidiary, and to the best of my information and according to the explanations given to me, I am of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of consolidated balance sheet, of the state of affairs of the ICSA (INDIA) LIMITED (the group) as at March 31, 2009;

   (b) in the case of consolidated profit and loss account, of the profit for the year ended on that date; and

   (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

Allani Mahender
Chartered Accountant
Membership No.: 025746

Place: Hyderabad
Date: August 21, 2009

Consolidated Balance Sheet as at March 31, 2009

(Amount in Rs.)

	Schedule		31.03.2009		31.03.2008
I. SOURCES OF FUNDS:					
(1) Share Holders Funds :					
(a) Capital	1	93,901,986		88,017,000	
(b) Application Money	2	1,425,014		86,135,000	
(c) Reserves and Surplus	3	5,866,418,785	5,961,745,785	3,570,795,579	3,744,947,579
(2) Loan Funds :					
(a) Secured Loans	4	3,001,065,297		1,098,787,381	
(b) Un-Secured Loans	5	915,000,000	3,916,065,297	915,000,000	2,013,787,381
(3) Deferred Tax Liability			142,714,100		168,005,400
Total			10,020,525,183		5,926,740,360
II. *APPLICATION OF FUNDS:*					
(1) Fixed Assets:	6				
(a) Gross Block		1,930,103,767		989,550,172	
(b) Less: Depreciation		187,730,410		66,587,817	
(c) Net Block			1,742,373,357		922,962,355
(2) Investments	7		6,127,455		6,127,455
(3) Current assets, loans and advances :	8				
(a) Inventories		826,666,985		649,045,009	
(b) Sundry debtors		5,095,301,453		3,203,989,684	
(c) Cash and bank balances		217,833,293		586,131,887	
(d) Other current assets		842,355,948		480,969,818	
(e) Loans and advances		2,275,808,432		1,110,637,636	
		9,257,966,111		6,030,774,034	
Less: Current liabilities & provisions :	9				
(a) Liabilities		1,016,169,956		1,054,766,975	
(b) Provisions		405,275,597	7,836,520,558	316,638,547	4,659,368,511
(4) Misc., Exp., to the extent not written off or adjusted	10		435,503,812		338,282,038
Total			10,020,525,183		5,926,740,360
(5) Significant Accounting Policies	18				
(6) Notes on Accounts	19				

As per my report of even date

for and on behalf of the board

Allani Mahender
Chartered Accountant

G. Bala Reddy
Chairman-cum-Managing Director

P. Kodanada Ramaiah
Director Technical

K. Arun Kumar
Company Secretary

Date : August 21, 2009
Place : Hyderabad

Consolidated Profit and Loss Account for the year ended March 31, 2009

(Amount in Rs.)

		Schedule	31.03.2009	31.03.2008
I.	INCOME :			
	(1) Sales / Services Rendered		11,004,247,420	6,720,858,908
	(2) Dividend		74,700	1,274,954
	(3) Interest		16,667,485	69,675,957
	(4) Other Income	11	971,743	7,693,220
	Total		11,021,961,349	6,799,503,038
II.	EXPENDITURE :			
	(1) Cost of materials consumed	12	5,413,671,786	4,417,353,092
	(2) Manufacturing / Direct Expenses		2,399,883,865	127,114,107
	(3) Selling Expenses		40,478,107	20,185,453
	(4) Salaries, Wages and other employee benefits	13	166,390,845	105,003,458
	(5) Managerial remuneration	14	70,530,210	46,608,268
	(6) Interest & Financial Charges	15	538,490,896	271,221,999
	(7) Depreciation	6	121,142,593	34,727,403
	(8) Auditors Remuneration		4,049,959	4,000,000
	(9) Administrative expenses	16	169,082,572	142,135,722
	(10) Misc., Expenses W/off		48,438,166	49,975,567
			8,972,159,000	5,218,325,070
III.	Profit / (loss) before tax (I - II)		2,049,802,350	1,581,177,968
IV.	Tax Expense	17	484,315,700	466,299,582
V.	Profit / (loss) after tax (III - II)		1,565,486,650	1,114,878,386
VI.	Prior Period Adjustments		(53,386,299)	(21,952,020)
VII.	Profit available for Appropriation		1,512,100,351	1,092,926,366
	Profit / (Loss) Brought Forward		1,547,585,301	625,444,110
	Profit available for appropriation		3,059,685,652	1,718,370,476
VIII.	Proposed Dividend			
	a. Final Dividend		65,958,885	52,855,192
	b. Corporate Dividend Tax		11,209,712	8,982,740
			77,168,597	61,837,932
	Profit available for transfer to Balance Sheet		2,982,517,055	1,656,532,545
IX.	Transfer to			
	General Reserves		152,860,849	108,947,244
	Balance carried to Balance Sheet		2,829,656,206	1,547,585,301
X.	Earning per share (Par value Rs. 2/- per Share)			
	Basic (No. of Shares used in calculation 4,53,57,208 @ Rs. 2/- each)		33.34	
	Diluted (No. of Shares used in calculation 5,07,40,503 @ Rs. 2/- each)		30.46	
	Basic (No. of Shares used in calculation 3,95,23,107 @ Rs. 2/- each)			27.65
	Diluted (No. of Shares used in calculation 4,88,92,963 @ Rs. 2/- each)			23.26
XI	Significant Accounting Policies	18		
XII	Notes on Accounts	19		

As per my report of even date

for and on behalf of the board

Allani Mahender	G. Bala Reddy	P. Kodanada Ramaiah	K. Arun Kumar
Chartered Accountant	*Chairman-cum-Managing Director*	*Director Technical*	*Company Secretary*

Date : August 21, 2009
Place : Hyderabad

Schedules to the Consolidated Balance Sheet as at March 31, 2009

(Amount in Rs.)

		31.03.2009		31.03.2008
1 SHARE CAPITAL				
Authorised				
7,50,00,000 Equity Shares of Rs. 2/- each		150,000,000		150,000,000
Issued, Subscribed and Paid Up				
4,40,08,500 Equity Shares of Rs. 2/- each fully paid up.		-		88,017,000
4,69,50,993 Equity Shares of Rs. 2/- each fully paid up.		93,901,986		-
2 APPLICATION MONEY				
Share Warrants Application Money		-		85,125,000
ESOP Application Money		1,425,014		1,010,000
		1,425,014		86,135,000
3 RESERVES AND SURPLUS				
i. Capital Reserve		24,970,000		
ii. Share Premium Account		2,471,947,484		1,784,427,900
iii. General Reserve				
Opening Balance	186,684,278		77,737,035	
Add: Additions during the year	152,860,849	339,545,127	108,947,244	186,684,278
iv. Profit & (loss) Account				
Opening Balance	1,547,585,301		625,444,110	
Add: Additions during the year	1,282,070,905	2,829,656,206	922,141,191	1,547,585,301
v. Reserve for Employee Stock Option Scheme		197,758,040		52,098,100
vi. Foreign Currency Translation Reserve		2,541,928		-
		5,866,418,785		3,570,795,579
4 SECURED LOANS				
A. Loans & Advances:				
1 Working Capital Loans from Banks: (Details of Securities are as per point No. 14 of Notes on Accounts)				
i. Bank of India	695,969,644		337,990,651	
ii. Punjab National Bank	386,337,789		-	
iii. State Bank of India (specific projects)	200,311,943		-	
iv. State Bank of India	715,260,028		520,109,209	
v. Union Bank of India	195,074,598		199,954,806	
vi. Bank of India	9,914,931		35,000,000	
vii. HSBC	360,000,000		-	
		2,562,868,932		1,093,054,666
2 Term Loans (Details of Securities are as per point No. 14 of Notes on Accounts)				
i. Andhra Bank		432,744,300		-
ii. Vehicle Loans		5,452,065		5,732,715
		3,001,065,297		1,098,787,381
5 UNSECURED LOANS				
FCCBs (Foreign Currency Convertible Bonds)		915,000,000		915,000,000
		915,000,000		915,000,000

Schedules to the Consolidated Balance Sheet as at March 31, 2009

6 FIXED ASSETS AND DEPRECIATION

(Amount in Rs.)

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Particulars	As at 01.04.2008	Additions	Deletions	As at 31.03.2009	As at 01.04.2008	For the Year	Deletions	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
Land	4,316,612	33,979,168	-	38,295,780	-	-	-	-	38,295,780	4,316,612
Building	20,268,963	21,229,688	-	41,498,651	115,141	368,171	-	483,312	41,015,339	20,153,822
Furniture & Fixtures	8,735,762	559,576	-	9,295,338	2,213,705	816,594	-	3,030,299	6,265,039	6,522,057
Office Equipment	5,483,002	2,615,247	-	8,098,249	547,742	344,303	-	892,045	7,206,204	4,935,260
Vehicles	11,195,514	5,715,493	-	16,911,007	1,485,677	1,371,580	-	2,857,257	14,053,750	9,709,837
Electrical Installations	1,479,239	-	-	1,479,239	346,426	93,636	-	440,062	1,039,177	1,132,813
Computers	241,982,345	20,111,202	-	262,093,547	47,858,740	38,761,206	-	86,619,946	175,473,601	194,123,605
Plant & Machinery (Projects)	140,392,375	837,921,558	-	978,313,933	6,675,221	3,517,550	-	10,192,771	968,121,162	133,717,154
Development Software	386,783,436	615,000	-	387,398,436	5,163,651	49,381,380	-	54,545,031	332,853,405	381,619,785
Testing Tools	163,406,373	17,806,663	-	181,213,036	2,181,514	26,488,173	-	28,669,687	152,543,349	161,224,859
Good Will (on Consolidation)	5,506,551	-	-	5,506,551	-	-	-	-	5,506,551	5,506,551
Total	989,550,172	940,553,595	-	1,930,103,767	66,587,817	121,142,593	-	187,730,410	1,742,373,357	922,962,355
Previous year figures	138,616,887	850,933,285	-	989,550,172	31,860,414	34,727,403	-	66,587,817	922,962,355	106,756,473

(Amount in Rs.)

	31.03.2009		31.03.2008	
7 INVESTMENTS				
A. Current Investments				
Investments in Shares & Debentures		6,127,455		6,127,455
		6,127,455		6,127,455
8 CURRENT ASSETS, LOANS & ADVANCES				
A. Current Assets:				
i. Inventories				
a) Stock in Trade	194,583,436		367,034,447	
b) Work-in-progress	232,225,846		282,010,562	
	426,809,282		649,045,009	
Work-in-progress	399,857,703	826,666,985	-	649,045,009
ii. Sundry Debtors (Unsecured, Considered good)				
a) Outstanding for more than six months	953,059,730		553,133,830	
b) Outstanding for less than six months	4,142,241,723	5,095,301,453	2,650,855,854	3,203,989,684
iii. Cash and bank balances				
a) Cash on Hand	2,896,266		2,020,244	
b) Subsidiary Cash on Hand	16,853		29,030	
c) Balance with Schedule Banks	213,636,183		583,415,835	
In Current Accounts & FDs				
d) Subsidiary Bank Balance	1,283,991	217,833,293	666,778	586,131,887
iv. Other Current Assets				
a) Interest Accrued on Investments	4,142,534		5,130,552	
b) Deposits with Banks				
i. For BGs & LCs	658,393,361		281,033,359	
ii. Earnest money deposits	51,354,523		47,219,625	
c) Other deposits	83,077,809		111,405,060	
d) Other current assets	45,387,721	842,355,948	36,181,223	480,969,818
v. Loans & Advances (Advances recoverable in Cash or kind or for value to be received)				
a) Advances to Suppliers	1,581,277,715		362,935,524	
b) TDS	91,585,678		28,741,452	
c) Prepaid insurance	2,122,032		1,288,052	
d) Employee Advances	11,713,532		3,590,952	
e) Other Advances	589,109,476	2,275,808,432	714,081,656	1,110,637,636
		9,257,966,111		6,030,774,034

Schedules to the Consolidated Balance Sheet as at March 31, 2009

(Amount in Rs.)

	31.03.2009	31.03.2008
9 CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities :		
a) Sundry Creditors	875,608,833	810,945,592
b) Creditors for Expenses	21,583,087	9,622,462
c) Unclaimed Dividend	2,193,832	1,422,196
d) Advances from Customers	19,497,725	199,512,247
e) Other Liabilities	97,286,480	33,264,478
	1,016,169,956	1,054,766,975
B. Provisions :		
a) Provision for Income Tax	300,006,000	252,843,616
b) Provision for Fringe Benefit Tax	28,101,000	1,957,000
c) Proposed Dividend	65,958,885	52,855,192
d) Provision for Corporate Dividend Tax	11,209,712	8,982,740
	405,275,597	316,638,547

		31.03.2009		31.03.2008
10 MISCELLANEOUS EXPENDITURE				
(To the extent not written off or adjusted)				
a) FCCB Issue Expenses	51,670,348		56,943,972	
Add: Additions During the year	-		54,960,000	
	51,670,348		111,903,972	
Less : Written Off.during the year	-	51,670,348	60,233,624	51,670,348
b) Deferred Employee Compensation	52,098,100		15,607,575	
Add: Additions During the year	224,850,000		37,150,000	
	276,948,100		52,757,575	
Less : Written Off.during the year	79,190,060	197,758,040	659,475	52,098,100
c) Deferred Revenue development expenditure :				
Research & Development Expenses	234,513,590		100,037,474	
Add: Additions During the year	-		182,914,282	
	234,513,590		282,951,756	
Less : Written Off.during the year	48,438,166	186,075,423	48,438,166	234,513,590
d) Profit / (loss) from Subsidiary (P. Year)	-		1,537,401	
Less : Written Off.during the year	-	-	1,537,401	-
		435,503,812		338,282,038

Schedules to the Consolidated Profit and Loss Account for the year ended March 31, 2009

(Amount in Rs.)

	31.03.2009	31.03.2008
11 OTHER INCOME		
a) Discount received	10,418	20,901
b) Other receipts	961,325	7,672,319
	971,743	7,693,220

		31.03.2009		31.03.2008
12 COST OF MATERIALS CONSUMED				
(a) Opening Stock	649,045,009		288,773,923	
(b) Purchases	5,191,436,059		4,777,624,178	
	5,840,481,068		5,066,398,101	
(c) Less : Closing Stock	426,809,282	5,413,671,786	649,045,009	4,417,353,092

Schedules to the Consolidated Profit and Loss Account for the year ended March 31, 2009

(Amount in Rs.)

		31.03.2009	31.03.2008
13	**SALARIES, WAGES AND OTHER EMPLOYEE BENEFITS**		
a)	Salaries and allowances	158,894,568	100,516,850
b)	Contribution to PF & Other Funds	5,507,448	3,426,848
c)	Incentives and Staff Welfare	1,988,829	1,059,760
		166,390,845	105,003,458
14	**MANAGERIAL REMUNERATION**		
a)	Directors Remuneration	28,280,000	14,430,000
b)	Managerial Commission	41,326,210	31,548,268
c)	Managerial allowances	924,000	630,000
		70,530,210	46,608,268
15	**INTEREST & FINANCIAL CHARGES**		
a)	Interest & Finance Charges	254,219,939	131,158,934
b)	Exchange fluctuation	185,603,123	92,910,276
c)	Bank Charges	98,667,834	47,152,789
		538,490,896	271,221,999
16	**ADMINISTRATIVE EXPENSES**		
a)	Advertisement	1,534,051	2,066,005
b)	Books & Periodicals and Memberships	2,273,203	204,130
c)	Communications	5,049,396	4,710,121
d)	Consultancy / Professional fees	54,457,520	1,224,995
e)	Conveyance & Travelling Expenses	24,134,991	8,282,291
f)	Donations	1,880,801	811,667
g)	Electricity Charges	3,362,554	1,262,808
h)	FCCB Issue Expenses W/off	-	60,233,624
i)	General Expenses	6,726,436	1,136,649
j)	Insurance	4,978,178	1,619,718
k)	Listing / Processing fee	297,469	406,080
l)	Meeting expenses	3,035,562	393,547
m)	Office maintenance	4,979,953	1,922,027
n)	Postage and courier	2,763,569	947,668
o)	Printing and stationery	2,375,392	1,754,092
p)	Rates, Taxes & Registration Fee	8,770,923	32,323,006
q)	Recruitment & Training	739,074	426,005
r)	Rent	29,560,465	11,729,298
s)	Repairs and maintenance	1,168,643	1,081,841
t)	Service charges	-	722,743
u)	Tender Documents	5,984,931	4,249,439
v)	Vehicle Maintenance	5,009,461	4,627,969
		169,082,572	142,135,722
17	**TAX EXPENSE**		
a)	Current Tax	480,006,000	324,343,616
b)	Deferred Tax	(25,291,300)	139,498,966
c)	Fringe Benefit Tax	29,601,000	2,457,000
		484,315,700	466,299,582

Schedules to the Consolidated Accounts for the year ended March 31, 2009

18 SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE CONSOLIDATED ACCOUNTS

1. System of Accounting

   The Company adopts the accrual concept in the preparation of the Accounts. The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from the estimates.

2. Revenue Recognition

   Revenue from services are recognised as and when the services are performed. Sales are stated at selling price inclusive of all taxes.

   Expenditure on software purchase and developed/customised during the year is treated as revenue expenditure.

   Interest income : Interest income is recognised on a time proportion basis.

3. Foreign Currency Transactions

   i) Initial Recognition: Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

   ii) Exchange Differences: Exchange differences arising on the settlement of monitary items or on reporting companies monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, or recognised as income or as expenses in the year in which they arise.

   iii) Conversion: Foreign Currency monetary items are reported using the closing rate. Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non monetary items which are carried at fair value denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

4. Inventories

   Raw materials: Raw materials are valued at cost or net realisable values, whichever is lower on FIFO basis.

   Work-in-process: Work in process is valued at cost.

5. Fixed Assets

   i. Tangible Fixed Assets

      Tangible Fixed Assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing asset to its working condition for its intended use. Borrowing cost relating to acquisition of fixed assets which take a substantial period of time to get ready for its intended use or also included to the extent they relate to the period till such assets are ready to be put to use.

   ii. Intangible Fixed Assets and amortisation:

      Intangible assets have finite useful lives and are measured at cost and amortised over their expected useful economical lives as follows: Research and development cost are expensed, except for certain development cost which are capitalised from the time commercial and technological feasibility criteria's are met. Expenditure already charged to the profit & loss account is not restated. The capitalised cost is amortised on completion of the project over 5 years on a strait line basis.

6. Depreciation and amortisation

   Depreciation on tangible Fixed Assets is provided using the straight line method, at the rates prescribed under schedule XIV of the Companies Act, 1956. Depreciation on additions during the year is provided on a pro-rata basis. Assets costing Rs. 5,000/- each are written off in the year of capitalisation.

7. Income Taxes

   Tax expense, comprises of current, deferred and fringe benefit tax. Current tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities in accordance with the Indian income tax Act. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

   Deferred tax assets and liabilities are measured, based on tax rates and laws enacted are substantively enacted at the balance sheet date.

   Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available

18 SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)

against which such deferred tax assets can be realised. If the Company has carry forward of unabsorbed depreciation and tax losses and deferred tax assets are recognised only if there is virtual certainty, supported by convincing evidence, that such deferred tax assets can be realised against future taxable profits. At each balance sheet date, the Company re-assesses unrecognised deferred tax assets. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonable certain that future taxable income will be available against which such deferred tax assets can be realised.

8. Deferred Revenue Expenditure

   The Expenditure incurred on issue of FCCBs is amortised in proportion to the conversion of FCCBs into Equity Share Capital as and when the conversion takes place.

9. Investments

   Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. Current investments are measured at cost or market value, which ever is lower, determined on an individual investment basis. All other investments are classified as long term investments. Long term investments are measured at cost, however provision for diminution in value is made to recognised a decline other than temporary in the value of the investments.

10. Employee Benefits- Retirement benefits

    Retirement benefits in the form of Provident Fund and Superannuation scheme are defined contribution schemes and the contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contributions payable to the respective authority.

11. Earning per share

    Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity share holders by the weighted average number of equity shares out standing during the period are adjusted for the events of conversion of FCCB's.

    For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

12. Provisions

    A provision is recognised when the Company has a potential obligation as a result of past event and it is provable that an out flow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

13. Cash and cash equivalents:

    Cash and cash equivalents in the cash flow statement comprise cash at bank and cash in hand and FDRs.

14. Use of estimates:

    The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operation during the reporting period end. Although these estimates based upon management best knowledge of current events and actions, actual results could differ from these estimates.

15. Segment report policies

    Identification of segments : The Company's operating businesses are organised and managed according to the nature of products and services provided to offer similar products serving similar markets.

16. Borrowing cost

    Borrowing costs include interest and commitment charges on borrowings, amortisation costs incurred in connection with arrangement of borrowings. Costs incurred on borrowings directly attributable to development projects, which take a substantial period of time to complete, are capitalised within the development / producing asset for each cost center.

    All other borrowing costs are recognised in the profit and loss account in the period in which they are incurred.

Schedules to the Consolidated Accounts for the year ended March 31, 2009

19 NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

1. Basis of consolidation:

   The consolidated financial statements comprise the individual financial statements of ICSA (INDIA) LIMITED and its subsidiary as on March 31, 2009. The consolidated financial statements have been prepared on the following basis:

   i) The financial statements of the Company and its subsidiary have been consolidated on a line by line basis by adding together book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Accounting Standard 21 on 'consolidated financial statements' issued by the Institute of Chartered Accountants of India.

   ii) The financial statements of the subsidiary, used in the consolidation are drawn-up to the same reporting as that of the Company i.e., March 31, 2009.

   iii) The excess of cost to the Company which arose on account of exchange fluctuation, of its investment in the subsidiary over the Company's portion of equity is recognised in the financial statement as exchange fluctuation.

   iv) The financial statement of the following subsidiary has been consolidated as per Accounting Standard 21 on 'consolidated financial statements' issued by the Institute of Chartered Accountants of India

   Name of the subsidiary : ICSA INTERNATIONAL PTE LTD
   Incorporated in Singapore, Regd. No. 200700123R

2. The Company has no contingent liabilities as on 31-03-2009, acknowledged as debts except the Bank Guarantees given to various government departments to the extent of Rs. 223.07 Crores and letters of credit of Rs. 32.54 Crores.

3. The Company has no dues outstanding more than 30 days to any Small Scale Industrial undertaking as on 31-03-2009.

4. All the balances of loans and advances, sundry debtors and sundry creditors are subject to confirmation from the concerned parties individually.

5. The Company amortised FCCB issue expenses in proportion to conversion of FCCBs into Equity Share Capital as and when the conversion takes place.

   The expenditure incurred on research and development up to the financial year 2007-08, is amortised over a period of Five Years. The research expenditure incurred during the current financial year 2008-2009 of Rs. 19,83,78,799/- is expensed entirely during this financial year only.

6. Inventory:

   Inventory is valued at cost or net realisable value, whichever is less on FIFO Basis. Inventories are verified and certified by the management.

7. The Company has allotted 2,92,493 Equity shares of Rs. 2 each to the employees of the Company on exercise of Employees Stock Options and 26,50,000 Equity Shares of Rs. 2 each to Preferential allottees upon conversion of Fully Convertible Warrants.

8. Segmental Reporting: *(Rs. in Lakhs)*

Description	Software Services and embedded solutions	Products and Projects related to power sector	Un-allocable	Total
Segment Revenue	66,350.72	4,3691.75	-	1,10,042.47
Segment Results - (Operating profit)	25,082.99	6,339.54	-	31,422.54
Net Fixed Assets	6,644.52	10,338.29	386.86	17,369.67
Net Current Assets	43,974.59	32,188.51	2,208.98	78,372.08
Secured Loans	9,269.19	18,606.02	2,135.44	30,010.65
Un-secured Loans	-	9,150.00	-	9,150.00

   The segment wise secured loans and un-secured loans cannot be segregated because these funds were mobilised to meet the capital expenses, mergers and acquisitions.

19 NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)

9. In compliance with Accounting Standard 22 relating to accounting for taxes on income issued by the Institute of Chartered Accountants of India, the Company has accounted for Deferred Tax, the details of which are given below: *(Amount in Rs.)*

	31.03.2009	31.03.2008
Deferred tax liabilities recognised for timing differences due to:		
Depreciation	46,83,07,152	35,98,03,380
Research & Development	(4,84,38,166)	13,44,76,115
Total	41,98,68,985	49,42,79,495
Net Deferred Tax liability	14,27,14,100	16,80,05,400
Differed tax expenses Charged to Profit and Loss Account	-	13,94,98,966
Differed tax revenue transferred to Profit and Loss Account	2,52,91,300	-

10. Earning per share:

Earning per share is computed as under in accordance with Accounting Standard 20 Earning per share' in respect of profit for the year:

Description	31.03.2009 (Per Equity Share of Rs. 2/- each)	31.03.2008 (Per Equity Share of Rs. 2/- each)
Profit available for Appropriation	151,21,00,351	109,29,26,366
Adjusted Profits Rs.	154,55,78,172	113,70,68,462
No. of shares - Basic	4,53,57,208	3,95,23,107
No. of Shares - Diluted	5,07,40,503	4,88,92,963
EPS - Basic Rs.	33.34	27.65
EPS - Diluted Rs.	30.46	23.26

The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year. The number of shares used in computing Diluted EPS comprises of weighted average shares considered for deriving Basic EPS, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

11. Related parties information:

Information regarding related party transactions as per Accounting Standard 18 is given below:

Party	Relationship
ICSA International PTE Limited	100% Subsidiary
B R G Energy Limited	Associate
B S N Pharma Limited	Associate
Sahasra Investments Pvt Limited	Associate
Softpro Systems Limited	Associate
P.R. Cements Limited	Associate

Key Management Personnel as on March 31, 2009

Name	Designation
G Bala Reddy	Chairman and Managing Director
P Kodanda Ramaiah	Director Technical

Details of Transactions between the Company and Related parties and status of outstanding balances as on March 31, 2009:

i. The Company has invested Rs. 1,99,86,449/- towards acquisition of equity in its Subsidiary - ICSA International PTE Limited

ii. There was an outstanding balance of Rs. 50,76,38,421.91 as on March 31, 2009, on account of sums paid towards execution of works contracts and also purchase of transformers at market prices prevailing on the date of transactions, from BRG Energy Limited.

iii. A sum of Rs. 2,57,86,892/- was paid to Softpro Systems Ltd, towards office rent for the financial year 2008-2009.

19 NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)

(a) Summary of Transactions with key management personnel: *(Amount in Rs.)*

Description	31.03.2009	31.03.2008
Directors Remuneration	2,92,04,000	1,50,60,000
Commission to Managing Director	4,13,26,210	3,15,48,268

(b) The following amounts were incurred towards Director's salary: *(Amount in Rs.)*

Description	31.03.2009	31.03.2008
Chairman-cum-Managing Director	2,75,40,000	1,24,50,000
Executive Director	2,00,000	18,00,000
Technical Director	14,64,000	8,10,000

12. The details of Foreign Exchange earnings and outgo are given below: *(Amount in Rs.)*

Description	31.03.2009	31.03.2008
i) Foreign Exchange earnings		
Exports	113,69,19,814	69,53,96,090
Interest	55,96,778	5,31,72,721
Total	1142516592	74,85,68,307
ii) Foreign Exchange outgo		
Import of materials	57,24,516	2,36,95,698
Interest & Bank Charges	2,43,56,644	3,15,26,364
Professional Charges	-	43,41,340
Investments in ICSA International PTE Ltd	-	1,82,36,399
Lead Manger's Fee	-	3,52,80,000
Advance to customers	4,47,44,911	4,67,65,732
Business Promotion	16,88,774	-
Foreign Travel	11,13,016	43,71,574
Total	7,76,27,861	16,42,17,107

13. Auditor's remuneration: *(Amount in Rs.)*

Description	31.03.2009	31.03.2008
i) Statutory Audit fee	30,49,959	30,00,000
ii) Tax Audit fee	2,50,000	2,50,000
iii) Certification fee	2,50,000	2,50,000
iv) Other Services	5,00,000	5,00,000

19 NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)

14. 1. The Company has been availing various credit limits from SBI Somajiguda, Bank of India Khairatabad, UBI Khairatabad, PNB Chennai and HSBC Somajiguda Branches. Under the multiple banking arrangements the following securities have been given for availing credit limits, the details of which are given below:

    A. First Charge on both current & fixed assets of the Company ranking pari passu with other banks under multiple banking arrangements.

    B. Exclusive Charge to SBI on Flat No.: 1092, situated at Sector - A, Pocket A, (SAS Category - III), Vasant Kunj, New Delhi.

    2. The Company has availed term loan facilities from Andhra Bank, Sultan Bazar, Hyderabad Branch, of Rs. 45.7 Crores and the following securities have been offered to Andhra Bank:

    A. The term loan is secured by hypothecation of wind mills at Tamil Nadu and Karnataka and mortgage of the land pertaining to these wind mill plants.

    B. Second charge on the existing fixed assets of the Company.

15. Investments comprising shares in other companies are valued at cost and classified as current investments.

16. Additional information pursuant to provisions of the Para 3 and 4 of Part II of Schedule VI of the Companies Act, 1956.

    a) The Company is engaged in the business of development and maintenance of technology solutions which includes embedded solutions and software for Power, Oil, Gas and other sectors. The production and sale of such solutions cannot be expressed in any generic units and hence, it is not possible to give quantitative details.

    b) The Company is also engaged in the business of providing energy Audit solutions to bring down Transmission & Distribution (T&D) losses by using its technologies for power distribution companies. Wherein there are number of components involved in production / assembling execution and it is not possible for us to give quantitative details of purchase of such components which are small in value and large in quantity.

    c) The Company is also engaged in the business of Rural Electrification, Construction of Sub stations, Conversion of LT line to HT lines etc. Due to the nature of job it is difficult to furnish quantitative details.

17. Figures are rounded off to the nearest rupee.

18. Previous year figures are regrouped or reclassified wherever necessary to conform to the presentation during the year.

Signatures to Schedule 1 to 19

for and on behalf of the board

Date : August 21, 2009	G. Bala Reddy	P. Kodanada Ramaiah	K. Arun Kumar
Place : Hyderabad	*Chairman-cum-Managing Director*	*Director Technical*	*Company Secretary*

Consolidated Cash Flow Statement for the year ended March 31, 2009

(Rs. in lakhs)

	31.03.2009	31.03.2008
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	20,498.02	15,811.78
Adjustment for:		
Depreciation	1,211.43	347.27
Dividend income	(0.75)	(12.75)
Interest income	(166.67)	(696.76)
Misc. Expenses written off	(972.22)	(1,647.25)
Prior period Adjustments	(533.86)	(219.52)
Interest and Finance Charges	5,384.91	2,712.22
Operating profit before working capital change	25,420.86	16,295.00
Increase in sundry debtors	(18,913.12)	(14,674.87)
Increase in other current assets	(15,265.57)	(12,652.66)
Increase in inventories	(1,776.22)	(3,602.71)
Increase in sundry creditors	(385.97)	3,233.57
Cash Generated from Operations		
Income Taxes paid	(4,452.83)	(2,095.96)
Cash flow before extraordinary items	(15,372.85)	(13,497.64)
Extraordinary items	-	-
Net cash from operative activities	(15,372.85)	(13,497.64)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(9,405.54)	(8,509.33)
Purchase of investments	-	(61.27)
Interest received	166.67	696.76
Dividend received	0.75	12.75
Net cash used in investing activities	(9,238.11)	(7,861.10)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	7,793.25	15,970.85
Proceeds from long term borrowings	19,022.78	5,528.49
Interest paid	(3,528.88)	(1,783.12)
Dividend paid	(528.55)	(302.64)
Net cash used in financial activities	22,758.59	19,413.58
Net increase in cash and cash equivalents	(1,852.37)	(1,945.16)
Cash and cash equivalents at beginning of the year	5,861.32	8,735.58
Effects of Changes in Foreign Exchange Rates	(1,830.61)	(929.10)
Cash and cash equivalents at end of the year	2,178.33	5,861.32

As per my report of even date

for and on behalf of the board

Allani Mahender
Chartered Accountant

G. Bala Reddy
Chairman-cum-Managing Director

P. Kodanada Ramaiah
Director Technical

K. Arun Kumar
Company Secretary

Date : August 21, 2009
Place : Hyderabad

notice

Notice is hereby given that the Fifteenth Annual General Meeting of the Members of ICSA (India) Limited will be held on Wednesday, September 30, 2009 at 12.00 noon, at the Kohinoor, Taj Deccan, Road No.1, Banjara Hills, Hyderabad - 500 034 (A.P), to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit & Loss Account for the year ended March 31, 2009; Balance Sheet as on that date along with the Reports of the Directors' and Auditors' thereon.
2. To declare dividend on Equity Shares for the financial year 2008-09.
3. To appoint a Director in place of Mr. V. Shyam Sunder Reddy who retires by rotation and being eligible offers himself for reappointment.
4. To appoint M/S. VDNR & Associates, Chartered Accountants, Hyderabad as Statutory Auditors in place of the retiring Auditor, Mr. Allani Mahender, Chartered Accountant and in this regard to pass with or without modification(s), the following resolution as an ordinary resolution:

   "RESOLVED THAT M/S. VDNR & Associates, Chartered Accountants, Hyderabad be and are hereby appointed as Auditors of the company in place of the retiring Auditor Mr.Allani Mahender, Chartered Accountant, to hold office from the conclusion of this Annual General Meeting until conclusion of the next Annual general meeting at a remuneration to be fixed by the Board."

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

   ### Authorization to Borrow upto Rs.1500 Crores:

   "RESOLVED THAT pursuant to the provisions of section 293(1)(d) of the Companies Act, 1956, and other applicable provisions if any, the company hereby accords its consent to the Board of Directors borrowing any sum or sums of money from time to time, from any one or more of the company's bankers / other banks and/or from any one or more other persons, firms, bodies corporate or financial institutions whether by way of cash credit, advance or deposits, loans or bill discounting or otherwise and whether unsecured or secured mortgage by way of charge and / or by mortgage, hypothecation or lien or pledge of the company's assets and properties, in addition to the mortgages/charges created/to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and/or immoveable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company, whether movable or stock in trade (including raw materials, stores, spare parts and components in stock or in transit) and work in progress and all or any of the undertakings of the company for securing the borrowings availed/to be availed by the Company and/or any of the Company's holding / subsidiary / affiliate / associate company, notwithstanding that the moneys to be borrowed together with money's already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of the business) will or may exceed the aggregate of the paid up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose, but so however that the total amount up to which the money's may be borrowed by the board of directors and outstanding at any time shall not exceed the sum of Rs. 1500 Crores (Rupees One Thousand Five Hundred Crores) only exclusive of interest and the directors are hereby further authorized to execute such deeds of debentures and debenture trust deeds or mortgage, charge, hypothecation, lien, promissory notes, deposit receipts and other deeds and instruments or writings as they may think fit and containing such conditions and covenants as the directors may think fit.

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

   ### Authorization to Grant Employee Stock Options upto 5,00,000 options of Rs.2/- each:

   "RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act 1956, the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the ESOP Compensation

Committee which has been / may be constituted to exercise its powers, including the powers, conferred by this resolution), to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Company, which includes present and future employees, in India or overseas and any Directors including Executive and Non-Executive Directors but excluding (i) promoter directors and (ii) those directors who hold directly or indirectly more than 10% of the outstanding equity shares of the Company), options exercisable into equity shares being not more than 5,00,000 options of Rs.2/- each of the Company under a Scheme titled 'Employee Stock Option Plan 2009" (hereinafter referred to as the "ESOP 2009"), in one or more trances, and on such terms and conditions as may be fixed or determined by the Compensation Committee, for the benefit of the employees, *interalia, on the terms and conditions as detailed in the* Explanatory Statement, in accordance with the provisions of the law and guidelines issued by the relevant Authority."

"RESOLVED FURTHER THAT the Compensation Committee be and is hereby authorised to issue and allot Equity shares upon exercise of such options from time to time in accordance with the ESOP 2009 and such Equity shares shall rank pari-passu in all respects with the then existing Equity Shares of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of equity shares, the Board and / or Committee of Board and/or other designated officer(s) of the Company be, and are, hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it/they may at its / their absolute discretion deem necessary or desirable for such purpose, including without limitation, filing necessary documents / statements with the stock exchanges, statutory authorities and other agencies and such other regulatory authority as may be necessary for listing the securities on the stock exchanges."

"RESOLVED FURTHER THAT the Board be, and is, hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of restricted stock units giving rise to shares upon exercise and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of these resolutions".

"RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition of the shares by the aforesaid allottees under the ESOP 2009 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 2/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees."

"RESOLVED FURTHER THAT for the purpose of giving effect to the resolution, the Board / Compensation Committee set up for the purpose of the said ESOP 2009, be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer, issue, allotment of Options and utilization of proceeds and further to do all such acts, deeds, matters and things and to finalize and executive all documents and writings as may be necessary, proper, desirable or expedient as it may deem fit. in conformity with the provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company and any other Regulations in force for the time being."

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

Re-Appointment and fixing of Remuneration payable to Mr. P. Kodanda Ramaiah as Director (Technical):

"RESOLVED THAT pursuant to provisions Section 198, 269,302, 309, 317 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, including any Statutory modification(s) or enactment(s) thereof, for the time being in force, and subject to such consents and approvals as may be needed, Mr. P. Kodanda Ramaiah be and is hereby appointed as Director (Technical) of the company not liable to retire by rotation for a period of three years with effect from October 1, 2009, on the terms and conditions set out hereunder and with liberty to the Board of directors to alter or vary from time to time the terms and conditions of the said appointment in such manner as it may deem fit within the limits in that behalf contained in Schedule XIII of the said Act including any Statutory modifications(s) in force or that may hereinafter be made thereto by the Central Government in that behalf or any amendments thereto as may be agreed by the Board of Directors and Mr. P. Kodanda Ramaiah in this behalf:

i. Salary Rs. 1,10,000/- per month (Rupees One Lakh Ten Thousand Only)

ii. Perquisites: He is also entitled to the following perquisites:

   a. Housing: Rs. 20,000/- per month

   b. Reimbursement of conveyance expenses including driver's salary not exceeding to Rs. 25,000/- per month

   c. Reimbursement of Telephone expenses not exceeding to Rs. 2,000/- per month

"RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Mr. P. Kondanda Ramaiah, the remuneration, perquisites and other allowances shall be governed by the limits prescribed in Schedule XIII to the Act."

8.0 To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 31 and other applicable provisions of the companies Act, 1956, the existing Articles of Association of the company be and is/are hereby amended and /or altered in the manner and to the extant as set out below:-

After existing Article 56, the following new Article be inserted as Article 56A and be read as follows:

56-A: Buyback of Shares

"Notwithstanding anything contained in these Articles, subject to the provisions of section 77A, 77AA and 77B of the Act and Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 as may be in force at any time and from time to time, the company by special resolution or the board of directors of the company as the case may be, subject to limits, restrictions, terms and conditions, approvals as may be required under the provisions of the Act in order to acquire, purchase and own for extinguishing and physically destroying any of its fully paid shares and/or any other securities as may be specified under the Act, Rules and Regulations from time to time and may make the payment thereof out of its free reserves, securities premium account or the proceeds of any other specified securities issued specially for the purpose of buy-back or any other modes as may be permitted from time to time. The company or the Board as the case may be, may also decide other terms and conditions including that of payment in one or more installments for such purchase or acquisition, as may be permitted under the Act of the Regulations in force at the relevant time."

9.0 To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 31 and other applicable provisions of the companies Act, 1956, the existing Articles of Association of the company be and is/are hereby amended and /or altered in the manner and to the extant as set out below:-

After existing Article 137, the following new Article be inserted as Article 137A and be read as follows:

137-A: Sitting fee

"The Directors for the time being of the Company shall each be paid a sitting fee of such sum as may be decided by the Board from time to time, for every meeting of the Board or of any Committee of the Board attended by them in addition to all travelling expenses by rail or air as the case may be, halting, and other expenses incurred by them in attending and returning from such meeting of the Board, or/of any Committee of the Board or/of General Meet ing of the Company."

By Order of the Board of Directors
K. Arun Kumar
Company Secretary

Hyderabad, August 21, 2009
Registered Office:
1st Floor, Plot No.12, Software Units Layout
Cyberabad, Hyderabad - 500081, India
e-mail: secretarial@icsa-india.com

NOTES:

1. Explanatory Statement in respect of the special business as required under Section 173(2) of the Companies Act, 1956 is annexed herewith.

2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member.

3. The proxy form duly completed and signed should be deposited at the registered office of the Company not less than 48 hours before the time of commencement of the Annual General Meeting.

4. Members are requested to bring their copy of the Annual Report while attending the Annual General Meeting.

5. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.

6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

7. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

8. Register of Members and Share Transfer Books of the Company will be closed from September 23, 2009 to September 24, 2009, inclusive of both dates. If the final dividend as recommended by the Board of Directors is approved at the meeting, payment of such dividend will be made as under:

   a. To all beneficial owners in respect of shares held in electronic form as per the data as may be made available by the National Securities Depository Limited and Central Depository Services (India) Limited as of the close of business hours on September 22, 2009;

   b. To all members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on September 22, 2009.

9. Members holdings shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of the dividend. The Company and its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

10. While members holding shares in physical form, may write to the company for any change in their address and bank mandates, members holding shares in electronic form may write to their depository participants for immediate updation so as to enable the company to dispatch dividend warrants to the correct address.

11. Shareholders who haven't got their shares demated are requested to do so immediately.

12. Shareholders seeking any information regarding the accounts are requested to write to the company at least two days in advance to enable the management to keep the information ready.

13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company's Registrars and Transfer Agents, M/s. CIL Securities Limited, for consolidation into a single folio.

14. Non-Resident Indian Members are requested to inform the Company's Registrars and Transfer Agents, immediately on:

    a) Change in their Residential status on return to India for permanent settlement.

    b) Particulars of their Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank with Pin Code Number, if not furnished earlier.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956:

Item No. 5:

Under section 293(1)(d) of the Companies Act 1956 the Board of Directors cannot except with the consent of the company in general meeting to borrowing any sum or sums of money from time to time, from any one or more of the company's bankers / other banks and/or from any one or more other persons, firms, bodies corporate or financial institutions whether by way of cash credit, advance or deposits, loans or bill discounting or otherwise and whether unsecured or secured mortgage by way of charge and / or by mortgage, hypothecation or lien or pledge of the company's assets and properties, in addition to the mortgages/charges created/to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and/or immoveable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company, whether movable or stock in trade (including raw materials, stores, spare parts and components in stock or in transit) and work in progress and all or any of the undertakings of the company for securing the borrowings availed/to be availed by the Company and/or any of the Company's *holding / subsidiary / affiliate / associate company, notwithstanding* that the moneys to be borrowed together with money's already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of the business) will or may exceed the aggregate of the paid up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose, but so however that the total amount up to which the money's may be borrowed by the board of directors and outstanding at any time shall not exceed the sum of Rs. 1500 Crores (Rupees One Thousand Five Hundred Crores).

Hence it is deemed desirable as a matter of abundant caution also to provide a sufficient margin for such loans to be covered by the borrowing powers of the board.

In the circumstances cited sanction of the shareholders is being taken to enable the directors to borrow money to the extent of Rs. 1500 Crores (Rupees One Thousand Five Hundred Crores) to meet the growing fund requirements of the company. The resolution as setout in the Notice is put forth for approval of Members.

None of the directors is interested in the resolution. Your Board of Directors recommend the resolution for your approval.

Item No. 6:

To reward, motivate and retain its employees, who have contributed to the success of the Company, the Company proposes to sanction ESOPs to the employees. The details of ESOP Scheme- 2009 are as follows:

Appointment of Merchant Banker for implementation of the Scheme.: M/s CIL SECURITIES LTD, 214, Raghava Ratna Towers, Chirag Ali lane Hyderabad 500 001 were appointed as merchant bankers to implement the scheme by the Board in the Board meeting held on August 21, 2009.

The Compensation Committee will administer the ESOP Scheme- 2009 such as:

- Adopt rules and regulations for implementing the Plan from time to time.
- Identify the Employees eligible to participate under the Plan.
- Grant Options to the identified Eligible Employees and determine the date of Grant.
- Determine the number of Options to be granted to each Grantee.
- Decide all other matters that must be determined in connection with an Option under the Plan.

The salient features of the ESOP Scheme - 2009 as required as per the clause 6.2 of the (SEBI Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 are as given below.

(a) Total number of options to be granted:

Options exercisable into not more than 5,00,000 (One Lakh) Options of Rs. 2/- each of the company will be available for being granted to eligible employees of the Company including employees present and future working in India or abroad.

(b) Identification of classes of employees entitled to participate in the ESOP Scheme - 2009:

All permanent employees present and future, Executive and Non-Executive Directors (excluding promoter Directors) of the Company as may be decided by the Compensation Committee, from time to time, would be entitled to options under the ESOP Scheme - 2009.

As per the SEBI (Employees Stock Option Scheme & Employees Stock Option Plan) Guidelines 1999 the following are not eligible to participate in the scheme:

(i) An employee who is a promoter or belongs to the promoter group

(ii) A Director who either by himself or through his relative or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company.

(c) Requirements of vesting and period of vesting and maximum period:

The options granted shall vest so long as the employee continues to be in the employment of the Company. Vesting of the options shall take place over a maximum period of 4 years with a minimum vesting period of 1 year from the date of grant. The Options will vest in installment as follows:

- 30% upon the Completion of 1st year from the date of Grant
- 35% upon the Completion of 2nd year from the date of Grant
- 35% upon the Completion of 3rd year from the date of Grant

(d) Exercise Price:

The 'Exercise Price' for conversion of each Option into one Equity share shall be the price, at a discount (as decided and at the discretion of Compensation Committee) of closing market price on the date of the Grant on the Stock Exchange which has recorded the Highest Trading Volume.

(e) Exercise Period and the process of Exercise:

Upon vesting, Options shall be converted into Equity Shares on the written request of the employee and the Options shall be valid and exercisable for a period of six months from the date of vesting or such higher period as may be determined by the Board from time to time.

(f) Appraisal Process for determining the eligibility of the employees to ESOP Scheme 2009:

All permanent employees, present or future employees, including executive and non-executive directors (excluding promoter directors) working in India or abroad, of the company are eligible under this ESOP Scheme-2009.

(g) Maximum number of options to be issued per employee and in aggregate:

The maximum number of Options to be allotted in any financial year to each employee shall be decided by the Board of Directors based on merits on case to case basis on the recommendations of the Compensation Committee.

The Options to be allotted to all employees in aggregate shall not exceed 5,00,000 Options under ESOP 2009.

(h) Method of option valuation:

To calculate the stock based compensation, the Company shall use the Intrinsic Value method for valuation of the options granted. The difference between the employee compensation cost that shall have been recognized if it had used the fair value of the options and the impact of this difference on profits and on EPS of the Company shall be disclosed in the Directors' Report.

(i) The Company shall conform to the accounting policies specified in clause 13.1 of SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 and its amendments, if any, or such other guidelines as may be issued by SEBI or any other authority in this respect.

(j) Subject to the approval of the Stock Exchanges, where the shares of the Company are listed, the relevant Equity Shares on conversion of the Options shall rank pari passu in all respects with the existing Equity Shares.

(k) The employee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits as a shareholder in respect of option granted to him till the shares are issued on exercise of option.

(l) Consequence of failure to exercise option:

The amount payable by the employee, if any, at the time of grant of option:

- may be forfeited by the company if the option is not exercised by the employee within the exercise period; or
- the amount may be refunded to the employee if the options are not vested due to non-fulfillment of condition relating to vesting of option as per the ESOS.

(m) Non transferability of option:

Option granted to an employee shall not be transferable to any person. The option granted to the employee shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner. In the event of death of employee while in employment, all the options granted to him till such date shall vest in the legal heirs or nominees of the deceased employee. In the event of resignation or termination of the employee all options not vested as on that day shall expire.

(n) The Board shall have the powers to make fair and reasonable variations to the terms and conditions in respect of number of Options and the Exercise price, in case of rights issues, bonus issues and other corporate actions.

As the ESOP Scheme - 2009 provides for issue of Options to be offered to persons other than existing employees of the company, consent of the members is sought pursuant to Section 81(1 A) and all other applicable provisions, if any, of the Companies Act, 1956 and as per clause 6 of the SEBI Guidelines.

Your Board of directors recommend the resolution for your approval.

None of the directors is either interested or concerned in this resolution except to the extent of their respective share holdings and for further allotments, if any.

Item No. 7:

Mr. P. Kodanda Ramaiah was appointed as Director (Technical) at the AGM held on 30.09.2006 for a period of three years till 30.09.2009. Your Company has made a significant growth in the Financial Year 2008-2009 and is optimistic on the future progress. Considering the Contribution being tendered by Mr. P. Kodanda Ramaiah as Director (Technical), it is proposed to reappoint Mr. P. Kodanda Ramaiah as Director (Technical) of the Company on the same remuneration as drawn by him during the previous year.

None of the Directors except Mr. P. Kodanda Ramaiah is either interested or concerned in the said resolution. This may be treated as an abstract of terms under section 302 of the Companies Act, 1956. Your Board of Directors recommend his appointment.

Item No 8:

The item pertains to inclusion of enabling provision in the Articles of Association for Buy back of own shares to the extent specified in Section 77A of the Companies Act, 1956.

None of the Directors is, in any way, concerned or interested in this resolution. The Board of Directors recommends the resolution for approval of the members.

Item No 9:

The item pertains to inclusion of enabling provision in the Articles of Association for payment of Sitting fees to the Directors for attending the meetings of the Board, or/of any Committee of the Board of the Company to the extent permissible as per the Companies Act, 1956.

None of the Directors is, in any way, concerned or interested in this resolution. The Board of Directors recommends the resolution for approval of the members.

Additional Information:

Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement).

Name of the Director	Date of Birth	Date of appointment / reappointment	Experience in specific areas	Qualifications	Directorships in other companies
Mr. V. Shyam Sunder Reddy	08-08-1966	31.12.2005	A Law Graduate with immense knowledge in Corporate Finance, Corporate affairs and Business Administration.	B.A., LL.B.,	Softpro Systems Limited
Mr. P. Kodandaramaiah	23-12-1945	08-06-2005	Worked earlier with Central Power Distribution Company (formerly APSEB) for more than 36 years and is having vast experience in power generation and distribution segments	B.E. (Electricals)	Nil

By Order of the Board of Directors
for I C S A (INDIA) LIMITED

sd/-

Place: Hyderabad
Date: August 21, 2009

K.Arun Kumar
Company Secretary

An ISO 9001 : 2000 Company

ICSA (INDIA) LIMITED

Regd. Office: 1st Floor, Plot No.12, Software Units Layout, Cyberabad, Hyderabad - 500081, India

Proxy Form

D. P. ID *	
Client ID *	

Master Folio No.	

I/We ______________________________ of ______________________________

of ______________________________ being a member(s) of ICSA (INDIA) LIMITED hereby appoint ______________________ of ______________________ or failing him/her ______________________ of ______________________ in the district of ______________________ as my/our proxy to attend and vote for me/us and on my/our behalf at the fifteenth Annual General Meeting of the Company to be held at the Kohinoor, Taj Deccan, Road No.1, Banjara Hills, Hyderabad - 500 034 (A.P) on Wednesday, September 30, 2009 at 12.00 noon and at any adjournment thereof.

Signed this ______________________ day of ______________________ 2009

Full Name ______________________________

For Office use only

No of Shares :

Proxy No.:

Affix Revenue Stamp

Note:

The Proxy must be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding the aforesaid meeting.

* Applicable for investors holding shares in Electronic Form

Attendance Slip

D. P. ID *	
Client ID *	

Master Folio No.	

Please complete this Attendance Slip and hand it over at the entrance of the meeting hall.

NAME OF THE MEMBERS	NO. OF SHARE(S) HELD

I hereby record my presence at the fifteenth Annual General Meeting of the Company being held on Wednesday, September 30, 2009 at 12.00 noon at the Kohinoor, Taj Deccan, Road No.1, Banjara Hills, Hyderabad - 500 034 (A.P).

Signature of the Member or Proxy

* Applicable for Members holding shares in Electronic Form

Corporate information

Board of Directors:

Mr. G. Bala Reddy
Chairman-Cum-Managing Director

Mr. P. Kodanda Ramaiah
Director -Technical

Mr. S. S. Dua
Director

Mr. Y.V. Ramana Reddy
Director

Mr. V. Shyam Sunder Reddy
Director

Mr. Carlos Moslaris
Director

Company Secretary

Mr. K. Arun Kumar

Auditors

Mr. Allani Mahender
Chartered Accountant, Hyderabad

Bankers

State Bank Of India
Union Bank Of India
Bank Of India

Registered Office

ICSA (India) Limited
1st Floor, Plot No.12, Software Units Layout
Cyberabad, Hyderabad - 500081, India
E-Mail: secretarial@icsa-india.com
Visit Us At : www.icsa-india.com

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An ISO 9001 : 2000 Company

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www.icsa-india.com