

**31st Annual Report
2009-2010**

**EXELON
INFRASTRUCTURE LIMITED**

EXELON INFRASTRUCTURE LIMITED

BOARD OF DIRECTORS

| | |
|--------------------------|----------|
| Shri M. Srinivasa Rao | Director |
| Shri M. Vishuvardhan Rao | Director |
| Shri P.V.M. Ramana Kumar | Director |
| Shri R. Chakravarthy | Director |
| Shri. G.B.T Rao | Director |
| Shri. Srivas Yadav Sher | Director |

BANKERS

Axis Bank, Srinagar Colony,
Hyderabad - 500 073.

AUDITORS

M/s. P. Murali & Co.
Chartered Accountants,
Hyderabad - 500 082.

REGISTERED OFFICE

Laxmi Business Centre, 67-B, Gopal Mansion,
Opp. Copper Chimney, Station Road,
Bandra (W), MUMBAI - 400 050.

REGISTRARS

M/s. CIL Securities Limited
214, Raghava Ratna Towers, Chirag Ali Lane,
Abids, Hyderabad - 500 001.

EXELON INFRASTRUCTURE LIMITED

NOTICE

NOTICE is hereby given that the 31st Annual General Meeting of the members of EXELON INFRASTRUCTURE LIMITED will be held on Thursday, the 30th day of September 2010 at 10.30 AM at Laxmi Business Centre, 67-B, Gopal Mansion, opp. Copper Chimney, Station Road, Bandra (W), MUMBAI- 400050. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2010, the Profit & Loss Account for the year ended as on that date and the Reports of the Directors' and the Auditor's thereon.
2. To appoint a Director in place of Shri P.V.M Ramana Kumar who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri M. Vishnuvardhan Rao who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. P.Murali & Co, Chartered Accountants, Hyderabad the retiring Auditors of the Company, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board to fix their remuneration.

SPECIAL BUSINESS:

5. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary resolution:

"RESOLVED THAT Mr. Srinivas Yadav Sher, who was appointed as an Additional Director of the Company by the Board of Directors and who holds the office as per Section 260 of the Companies Act, 1956, up to the ensuing Annual General Meeting and in respect of whom the Company has, pursuant to the provisions of Section 257 of the Companies Act, 1956, received a notice in writing from a member, proposing his candidature for the office of Director, be and is hereby appointed as the Director of the Company, liable to retire by rotation."

For and on behalf of the Board of Directors

Sd/-

(M. SRINIVASA RAO)

Director

Place : Mumbai

Date : 01.09.2010

EXELON INFRASTRUCTURE LIMITED

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf and the proxy need not be a member of the Company. The instrument appointing the proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 27th September 2010 to 30th September 2010 (both days inclusive).
3. The Explanatory Statement pursuant to Section 173(2) in respect of Item No. 5 is annexed hereto.
4. Members/ Proxies are requested to bring their copy of Annual Report to the meeting and attendance slip should be duly filled in for attending the Meeting.
5. Members are requested to send all correspondence relating to the shares to the Share Transfer Registrars M/s CIL Securities Limited, 214, Raghav Ratna Towers, Chirag Ali Lane, Abids, Hyderabad – 500 001. Phone: 040 – 23202465, FAX: 040-23203028.

Explanatory Statement

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 5

The Board of Directors of the Company appointed Mr. Srinivas Yadav Sher as Additional Director of the Company and he will hold the office up to the ensuing Annual General Meeting. The Board has received a notice in writing from a member of the Company proposing his appointment as Director of the Company, under Section 257 of the Companies Act, 1956, liable to retire by rotation.

The Board of Directors recommends the passing of the resolution.

A brief profile of Mr. Srinivas Yadav Sher is given elsewhere in the report.

None of the Directors other than the appointee is concerned or interested in the said resolution.

For and on behalf of the Board of Directors

Sd/-

Place : Mumbai
Date : 01.09.2010

(M. SRINIVASA RAO)
Director

EXELON INFRASTRUCTURE LIMITED

The Members

**EXELON INFRASTRUCTURE LIMITED,
Mumbai**

DIRECTOR'S REPORT

Your Directors have pleasure in presenting the 31st Annual report of your Company together with the Audited Annual Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS:

(Rupees. in Lakhs)

| PARTICULARS | 31.03.2010 | 31.03.2009 |
|---|-------------|-------------|
| Income from Operations/ Sales | 2978.61 | 2952.14 |
| Other Income/Increase/(decrease) in Finished good | 0.00 --- | 0.60 --- |
| | 2978.61 | 2952.75 |
| Operating and Administrative Expenses | 2870.36 | 2837.58 |
| Financial Expenses | 0.41 | 0.30 |
| Depreciation | 10.57 | 0.86 |
| Less- Deferred Tax (Credit/ charge) | 20.31 | 0.15 |
| Net Profit/ Loss after Financial Expenses & Depreciation | 61.92 | 100.94 |
| Earning Per share | 1.23 | 2.32 |

DIVIDEND:

In view of the inadequate profit during the year under review and in order to conserve resources for future, your Directors do not recommend any Dividend for the year ended 31.03.2010.

OPERATIONS:

During the financial year under review, the Company has secured some infrastructure development contracts which have been part implemented. The slowdown in industry did not give impetus to the Company's growth and the sales have not shown major increase while due to increased expenses, the profitability came down to Rs. 61.92 lacs.

FORFEITURE OF SHARES

The equity shares which were forfeited have been re-issued by the Company at Rs 23 per share and have been listed at the Stock exchange during the period under review. However as per the directives of Bombay Stock Exchange the Company was supposed to issue the shares at Rs 57.75 per share and therefore the balance amount of Rs 34.75 had been collected by the Company after the Financial year end, i.e upto May, 2010.

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FUTURE OUTLOOK:

Due to non-availability of adequate financial resources and the recessionary pressure hitting the Indian economy and that too with a vengeance towards the real estate industry, the Company's efforts to make headway in infrastructural development projects could not take off as perceived. However, during the period, fresh funds have been sourced by re-issue of the forfeited shares and the impact of availability of long term financial resources will be reflected in the current year working with the Company planning to explore several new project contracts for development and construction. The Company foresees an improvement in market conditions soon and with that the revenues are likely to improve while it would be possible to re-plough the profitability. The Company is also ready with some real estate ventures for sale.

DIRECTORS:

Shri M. Vishuvardhan Rao and Shri R. Chakravarthy retire by rotation at the ensuing Annual General meeting and being eligible, offers themselves for reappointment. During the period under review

The relevant details of directors seeking re-appointment above, as required by Clause 49 of the Listing Agreements entered into with the Stock Exchange are given elsewhere in the report.

AUDITORS :

The Auditors M/s P.Murali & Co., Chartered Accountants, Hyderabad hold office upto conclusion of the ensuing Annual General Meeting. The Board recommends their reappointment for the year 2010-2011.

The observations made by the Auditors in their report read with the Notes on Accounts are self explanatory and do not require any comments from Directors.

CORPORATE GOVERNANCE :

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, & Management discussion and Analysis, Corporate Governance Report and Auditor's Certificate regarding compliance of conditions of corporate Governance are made a part of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS :

The Management Discussion and analysis is given elsewhere in this report

RESEARCH AND DEVELOPMENT :

The company has not carried out any research and development activities during the year under review.

PUBLIC DEPOSITS:

The Company has neither invited nor accepted any Deposits from the public, within the meaning of the section 58A of the Companies Act, 1956, if any, from time to time.

PERSONNEL:

None of the employees of the company was in receipt of remuneration in excess of the limits prescribed u/s 217(2A) of the Companies Act, 1956.

PARTICULARS U/S 217(1) (e) OF THE COMPANIES ACT. 1956 :

As required u/s. 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars of the Board of Directors) Rules 1988 the relevant information is given in Annexure.

SUBSIDIARY COMPANIES:

There are no subsidiaries to the Company as on date of the report.

LISTING:

The shares of your company are listed on Bombay Stock Exchange (BSE), Ahmedabad Stock Exchange and Madhya Pradesh Stock Exchange, Indore. Except BSE, there was no trading at other Exchanges.

CODE OF CONDUCT

The Company has adopted a uniform Code of Conduct for Directors, Senior Management and above Officers level to ensure ethical standards and also to ensure compliance to the laid down standards. The object of the code is to conduct the Company's business ethically and with responsibility, integrity, fairness, transparency, honesty. The code sets out a broad policy for one's conduct in dealing with the Company, fellow directors and with the environment in which the Company operates.

INSURANCE

The properties and assets of your Company are adequately insured.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 217(2AA) of the Act, the Board states:

- (i) That in the preparation of the Annual accounts, the applicable accounting standards had been followed except to the extent as specified by the Auditors in their Report:
- (ii) That your Directors had selected such accounting policies and applied them consistently and made judgment and estimates that are 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 on 31st March, 2009 and of the profit of the Company for that period.
- (iii) That your Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities.
- (iv) That your Directors have prepared the Annual Accounts on a going concern concept.

ACKNOWLEDGEMENTS:

The Directors place on record their appreciation for assistance and support from Axis Bank, Hyderabad. The Directors also express their gratitude to the shareholders of the company for their continued support to the Management.

For and on behalf of the Board of Directors

Place: Mumbai
Date : 01.09.2010

Director
M. SRINIVASA RAO

Director
P.V.M. RAMANA KUMAR

ANNEXURE- A TO DIRECTOR'S REPORT**A. CONSERVATION OF ENERGY:**

| Power consumption | current year | previous year |
|--|-------------------------|--------------------------|
| Total No. of power units consumed | NIL | NIL |
| Quantity of Crude oil processed (MT) | NIL | NIL |
| No. of units consumed per MT of Crude Oil processed | NIL | NIL |

B. TECHNOLOGY ABSORPTION :

As there is no new technology involved in the present activity of the Company, hence the question of absorption of upgraded technology does not arise.

C. FOREIGN EXCHANGE EARNING /OUTGO :

| | Current year | Previous year |
|----------|---------------------|----------------------|
| Earning | Nil | Nil |
| Outgoing | Nil | Nil |

ANNEXURE- B**MANAGEMENT DISCUSSION AND ANALYSIS****Industry Structure and Development**

After recording a spectacular growth of over 12%, more than the country's GDP in the past half decade, the Indian construction sector all of a sudden lost steam in last fiscal largely due to global financial turmoil. Not just this, the turmoil tremors created multiplier impact across sectors including steel, cement, power, petroleum, aluminium, IT and ports, besides badly bruising the Indian economy. The industry in India is highly fragmented and has about 300,000 construction companies operating nationwide. Taking clue from the Government's ambitious projects lined up for the Eleventh Plan period, the demand for construction is expected to grow by at least 8-9%.

Despite slowdown in industrial and manufacturing sector, the demand for power remains robust, but the growth in the sector is dotted with innumerable challenges that result from the gap that exist between what has been planned versus what the power sector is able to derive. The various proposals in generation and transmission are currently under different implementation stages. Despite the fact that the power sector in India has been plagued with a set of problems for meeting the planned targets, the outlook remains very optimistic for the coming years.

With a population of one billion and an underdeveloped telecommunications infrastructure, India's unfulfilled demand for telecommunications products and services is huge. India is currently the world's second most attractive telecommunications products and services market wherein the demand for Telecom Towers shall remain robust creating huge opportunities for the Company.

Opportunities and Threats

The Company has now entered into the business of generation and distribution of power and telecommunication service activity, apart from the existing construction activity, both of which are providing a tremendous potential for growth. The distribution of power with minimum losses and accountability for the same offers growth for power related equipments and instruments like electronic meters, online monitoring and billing etc wherein the Company is taking steps for its presence in the sector. Government emphasis on creating infrastructure in villages through Rural Infrastructure Development Fund (RIDF) has raised hopes for Company that the growing demands from the rural heartland will help the Company to grab the opportunity and take up new projects.

The presence in power and telecom sectors requires substantial financial resources to be pumped into the Company for growth of business which effort has been started during the last quarter of the financial year ended 31st March, 2010 and the first quarter of the current fiscal, however the same may not be enough for substantial growth, the presence of large number of power intermediaries and bureaucratic bottlenecks the acceptance of technology being developed by the Company may be a challenge.

Outlook

In the current scenario, as it is noticed that the Indian economy is in recovery phase from global recession and the Company, having entered into telecom and power sector

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, has great hope for exploring new activity and expectations for growth in the forthcoming period. Your Company has drawn all the plans for setting up manufacturing units for Power utility meters and is in the process of installation of the required machinery to commence the manufacturing activity in future. The Company proposes to seek effective and functional alliances with other organizations with aims and activities similar to that of the Company in the international arena and domestically as well.

Due to non-availability of adequate financial resources and the recessionary pressure hitting the Indian economy and that too with a vengeance towards the real estate industry, the Company's efforts to make headway in infrastructural development projects could not take off as perceived. However, during the period, fresh funds have been sourced by re-issue of the forfeited shares and the impact of availability of long term financial resources will be reflected in the current year working with the Company planning to explore several new project contracts for development and construction. The Company foresees an improvement in market conditions soon and with that the revenues are likely to improve while it would be possible to re-plough the profitability. The Company is also ready with some real estate ventures for sale.

Risk and Concern

The major risk is presence of large number of power intermediaries and bureaucratic bottlenecks the acceptance of technology being developed by the Company may be a challenge. Besides, as the sector is very fragmented, availability of adequate financial resources to sustain the growth may hamper the establishment of new line of activity.

The major concern is equipment shortage, scarcity of fuels such as coal, gas and other fuels. The raising input cost for telecom and power towers particularly steel and cement prove to be deterrent to the profitability. The ongoing power generation projects installation are likely to come on stream from 2011 onwards which will pave the way for growth of the Company thereafter.

Internal Control system

The Company has put in place the adequate system of internal controls for having proper controls and to improve efficiency in operations.

The internal control systems also of the Company also aims at effective monitoring of utilization of resources is optimum and proper, and the control system also monitors compliance of various applicable laws to the Company.

The system comprises a well-defined organization structure, pre-identified authority levels and documented policy guidelines and manuals for delegation of authority.

A qualified and independent audit committee of the Board of Directors reviews the adequacy of internal controls.

Financial performance

During the year under review total income of the company has increased to Rs. 29.78 crores from Rs. 29.52 crores in previous year. However, due to increase in expenses and provisions, the Profit is reduced to Rs. 61.92 lakhs as against Rs. 100.94 lakhs.