

(Formerly SHRI SHAKTI LPG LTD.)

BOARD OF DIRECTORS	Mr. D.V. Manohar Mr.B.K.Bakhshi Mr.D.V.Satya Kumar Mr.D.V.Raja Sekhar Mr.B.K.Sinha Mr.R.Prabhakar Rao Dr.A.Balasetti Dr.Bharat H. Barai Dr.Gorantla Govindaiah Mr.V.Subrahmanyam	Chairman & Managing Director Director Director Director Director Director Director Director Director
AUDITORS	M/s. Venugopal & Chenoy Chartered Accountants Hyderabad.	
COMPANY SECRETARY	Mr.T.Anil Kumar	
BANKERS	ICICI Bank, HDFC Bank	
REGISTRARS & SHARE TRANSFER AGENTS	M/s. XL Softech Systems Ltd 3, Sagar Society Road No.2, Banjara Hills, Hyderabad – 500034 Tel : 91-040-23545913/14/15 Fax : 91-040-23553214	
REGISTERED OFFICE	Venus Plaza Adjacent to Old Airport, Begumpet, Hyderabad - 500016. Tel : 91-040-27902929 Fax: 91-040-27908989	
PLANTS	(1) Nemam Village Beach Road, Kakinada – 533005 (A.P) (2) Bibinagar Near Railway Station Nalgonda District (A.P)	

NOTICE

NOTICE IS HEREBY GIVEN THAT THE SEVENTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD ON THURSDAY, THE 30th SEPTEMBER, 2010 AT 10:30 A.M. AT HARI HARA KALA BHAVAN, S.P. ROAD, SECUNDERABAD TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet, Profit and Loss Account and the Report of Directors and Auditors thereon for the year ending March, 31, 2010.
2. To appoint a Director in place of Mr. B.K. Bakhshi, who is retiring at this Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. Bharat H. Barai, who is retiring at this Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Gorantla Govindaiah, who is retiring at this Annual General Meeting and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

6. To Consider and if thought fit to pass with or without any modification as an Ordinary Resolution :
"RESOLVED THAT pursuant to the provisions of Sections 100 to 104 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Article 59 of the Articles of Association of the Company and subject to the requisite approvals, consents, sanctions and permissions of the appropriate authorities, if necessary, and subject to the confirmation of the Hon'ble High Court of Andhra Pradesh or the Tribunal as the case may be, effective 1st October, 2010, the paid-up Equity Share Capital consisting of 5,80,00,000 (Five Crore Eighty Lakh Only) equity shares of the face value of ₹ 10/- each aggregating to ₹ 52,88,39,500 (Rupees Fifty Two Crores Eighty Eight Lakhs Thirty Nine Thousand and Five Hundred Only) hereby be reduced by the amount of the accumulated losses of the Company as at 31st March, 2010 amounting to ₹ 21,15,35,800 (Rupees Twenty One Crores Fifteen Lakhs Thirty Five Thousand Eight Hundred Only), which is unrepresented by available assets, by suitably reducing the paid-up value of each equity share and thereafter sub-dividing and / or consolidating them into appropriate number of equity shares of paid-up value of ₹ 2/- each per share such that the paid-up Equity Share Capital after such reduction shall be ₹ 31,73,03,700 (Rupees Thirty One Crores Seventy Three Lakhs Three Thousand and Seven Hundred only).
FURTHER RESOLVED THAT in respect of calls in arrears of ₹ 5,11,60,500 (Rupees Five Crores Eleven Lakhs Sixty Thousand and Five Hundred Only), as and when the calls in arrears are paid up by the respective shareholders, for each share of the face value of ₹ 10/- each in respect of which calls in arrears of ₹ 7.50/- is paid up appropriate number of equity shares of the paid up value of ₹ 2/- each will be allotted for an amount equivalent to 60% (Sixty Percent) of the amount of calls in arrears paid up and balance 40% of the amount so paid shall be credited to the Capital Reserve of the Company.
FURTHER RESOLVED THAT any fractional shares arising therefrom shall not be issued but shall be consolidated into appropriate number of equity shares of the paid-up value of ₹ 2/- each and the same shall be issued and allotted to a Trustee appointed by the Board of the Company any fractions remaining after such consolidation shall

(Formerly SHRI SHAKTI LPG LTD.)

be ignored. The Trustee shall hold such shares in Trust for the shareholders otherwise entitled to such fractions shares and the Trustee shall within a reasonable time sell such shares on the stock exchange and the proceeds thereof after deducting reasonable expenses and taxes, if any, shall be distributed to such shareholders as per their fractional entitlement(s).

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and is hereby authorized to do all such acts, deeds, matters and things as are considered requisite or necessary to effectively implement the capital reduction including the authority to accept such modification and / or conditions, if any, which may be required and / or imposed by the Hon'ble High Court of Andhra Pradesh or the Tribunal or any other authority, as the case may be, while confirming the said reduction or in connection with such reduction."

By Order of the Board

Sd/-

D. V. MANOHAR

Chairman & Managing Director

PLACE : HYDERABAD

DATE : 06.09.2010

NOTE :

- 1. A member entitled to attend and vote the Meeting is entitled to appoint a Proxy and the proxy so appointed need not be a Member of the Company.*
- 2. The Proxies in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.*
- 3. Members/Bodies Corporate/Proxies to bring the Entry Pass/Attendance Slip duly filled in for attending the Meeting.*
- 4. The Register of Members and Share Transfer Books will remain closed from 29.09.2010 & 30.09.2010 (both days inclusive).*

Explanatory statement pursuant to Sec. 173(2) of the Companies Act, 1956 in respect of Special Business set out in the Notice convening the 17th Annual General Meeting

Item No.6 :

In order to rightsize the share capital of the Company and also to write-off against the share capital the accumulated losses unrepresented by the assets, it was thought necessary in the best interests of the Company to go in for a reduction of capital as reflected in the special resolution in item No. 6 of the Notice of the Annual General Meeting. It may be noted that there is no diminution of liability in respect of unpaid share capital of the Company in this item of business.

The above reduction of capital through the aforesaid special resolution is subject to the confirmation of the High Court of Andhra Pradesh in pursuance of Sections 100 read with Section 101 and Section 102 of the Companies Act, 1956.

The Board of your Company commends the aforesaid special resolution for your approval.

Mr. D. V. Manohar, Mr. D. V. Satya Kumar, Mr. D. V. Raja Sekhar, Dr. Gorantla Govindaiah, Dr. A. Balasetti and Dr. Bharat H. Barai may be deemed to be concerned or interested to the extent of equity shares held by them.

By Order of the Board

Sd/-

D. V. MANOHAR

Chairman & Managing Director

PLACE : HYDERABAD

DATE : 06.09.2010

(Formerly SHRI SHAKTI LPG LTD.)

DIRECTORS' REPORT

To

The Shareholders,

Shri Matre Power & Infrastructure Ltd.

1. INTRODUCTION

Your Directors have pleasure in presenting their report together with audited accounts for the financial year ended 31st March, 2010.

2. FINANCIAL PERFORMANCE

The Financial performance of the Company for the year 2009-10 is indicated below:

(₹ 000 Omitted)

Particulars	2009-10	2008-09
Gross Income	81,388	19,042
Less : Expenditure excluding Interest, Depreciation & prior period and Extraordinary items	29,704	20,548
Profit / (Loss) before Interest, Depreciation & prior period and Extraordinary items	51,684	(1,506)
Interest	721	7,500
Profit / (Loss) before Depreciation	50,963	(9,006)
Depreciation	30,122	30,284
Profit / (Loss) before prior period and Extraordinary items	20,841	(39,259)
Net Profit / (Loss) before provision for Taxation	20,841	(39,259)
Net Profit / (Loss)	20,841	(39,289)

During the year, the company incurred cash profit of ₹ 50,963 thousands, (previous year Loss of ₹ 9,006 thousands). After providing for depreciation amounting to ₹ 30,122 thousands (previous year ₹ 30,284 thousands), the total profit for the year stood at ₹ 20,841 thousands (previous year loss of ₹ 39,289 thousands).

Change in the Name and Objects of the Company :

As members are aware, during the year the Company has changed its Main Objects so as to include business relating to Power and Infrastructure and also the name from Shri Shakti LPG Limited to Shri Matre Power & Infrastructure Limited by passing through Postal Ballot as required under section 192A of the Companies Act, 1956.

Proposed Reduction of Share Capital

The Board of Directors at its meeting held on 6th September 2010 opinioned to write off the accumulated losses

(Formerly SHRI SHAKTI LPG LTD.)

unrepresented by its assets through reduction in the Share Capital. Accordingly resolution recommending the same was passed by the Board and placed before the Share holders for their approval by way of Special Resolution which forms part of the Notice of the ensuing Annual General Meeting.

Future Outlook :

As you are aware, the Company had been badly let down by the Government of India who did not honour its commitments given to the Private Sector LPG Industry. Despite the best efforts being put in by all the team members, the company is not able to make much progress in reviving its LPG Business. It is primarily due to the fact that the Government could still not do much to withdraw the subsidy on LPG as committed by it. Over the years, the subsidy has further ballooned thereby substantially enlarging the gap between government subsidized gas and the private sector non subsidized gas.

Thus your company is not able to achieve any significant improvement in its revenues and come up with profitability. This is despite the fact that the company has achieved a debt free status consequent to One Time Settlements with the banks, financial institutions and others wherein their dues have been cleared with Herculean efforts from the Directors. As the future prospects in LPG business do not seem to be bright enough, it is decided to diversify.

In India electricity is always in short supply. Despite the increase in new power generation plants, the gap between demand and supply has not reduced. The average per capita consumption of electricity in India is about 700 kWh which is far below the World average of 2300 kWh. The Indian government has set ambitious goals in the 11th plan for power sector owing to which the power sector is poised for significant expansion. In order to provide availability of over 1000 units of per capita electricity by year 2012, it has been estimated that need-based capacity addition of more than 100,000 MW would be required.

The Government of India has recently announced Jawaharlal Nehru National Solar Mission (JNNSM) for promoting solar power projects in various parts of the country. The objective of the JNNSM under the brand "Solar India" is to establish India as a global leader in solar energy by creating the policy conditions for its diffusion across the country as quickly as possible. The Mission has set a target of 20,000 MW and stipulates implementation and achievement of the target in 3 phases (first phase upto 2012-13, second phase from 2013-17 and third phase from 2017-22) for various components including utility grid connected solar power. Under this, it is proposed to harness the solar energy abundantly available in India and use the same for power generation to meet the ever growing demand for electricity across the country.

The target of 1000 MW of solar power by 2013 and 20,000 MW by 2022 under the JNNSM can make an important contribution by augmenting the generation targets of conventional power. Solar Power projects have some advantages over conventional power projects such as

- Environmental Clearance is not required unlike Thermal, Hydro and Biomass power projects.
- Solar Resource Assessment studies can be done quickly (unlike Wind Power).
- Low Gestation for project planning and implementation; 1 year from financial closure is possible.

The above opens very good opportunity for diversification into solar power generation wherein the raw material is the solar radiation and there is one single customer - the Government through its specified agency viz., NTPC Vidyut Vyapar Nigam Ltd (NVVN) who would be buying the entire production at a price which permits 16% ROI through a Power Purchase Agreement (PPA) for 25 years.

(Formerly SHRI SHAKTI LPG LTD.)

Therefore it is decided to diversify into power generation and solar power to begin with. This would be followed up with a foray into the infrastructure arena. To enable your company to do the same, the Main Objects and Other Objects of the Memorandum of Association of your Company have been changed along with the change of name to Shri Matre Power & Infrastructure Ltd after duly obtaining the shareholders approval through the postal ballot process and securing the requisite statutory approvals.

Your Company Shri Matre Power & Infrastructure Limited is participating in the tender bid process floated by the above nodal agency NVVN. Your company has already acquired 146 acres of land in Ramdevara Village near Pokhran, Jodhpur District, Rajasthan where the solar radiation levels are amongst the highest in the country. Further, requisite water for a solar thermal project is also available on the land. Your Company is in the process of tying up for advanced technology with leading international technology providers. Your Directors are optimistic that your Company would succeed in the above bid process and implement and operate the solar power project profitably.

Our objective is to totally revive our company and put it on a firm profitable track. We have come a considerable way in reaching the present stage from the earlier stage wherein our accumulated losses as well as our loan liabilities both were far in excess of ₹ 100 crores each. From the depths of huge losses and liabilities, we have now reached a stage wherein we are a virtually debt free company and with the above measure viz., proposed reduction of share capital, we would become a company with nil losses. Further your company's suspension has been revoked by the Bombay Stock Exchange w.e.f. 29th June, 2010 and share is actively trading thereafter. But still there is a long way to go and we should not shy away from taking the necessary bold steps to realize our goals. The Directors would like to assure our esteemed share holders that no stone shall be left unturned and no effort will be spared to take your company forward and profitable.

3. DEPLOYMENT OF FUNDS :

	(₹ 000 Omitted)	
	31.03.2010	31.03.2009
Sources of Funds		
Share Capital and Reserves	787,361	773,986
Un-secured Loans and Trade Deposits	113,465	215,125
Total	900,826	989,111
Application of Funds		
Net Fixed Assets, Capital Work-in-progress	339,404	404,512
Investments	10,250	10,250
Net Current Assets	138,764	115,601
Miscellaneous Expenditure to the extent not written off	0	25,499
Profit and Loss A/C	412,408	433,249
Total	900,826	989,111

4. SUBSIDIARY COMPANY

Financial Results of your fully owned subsidiary Company viz. Asia LPG Pvt. Ltd. (ALPL) have been appended herewith.

(Formerly SHRI SHAKTI LPG LTD.)

5. DIVIDEND

As your Company still has accumulated losses, the Directors regret to inform you that they are not in a position to recommend any Dividend for the year ended 31.03.2010.

6. DEPOSITS

Your Company has not accepted any Deposits during the year.

7. DIRECTORS

In term of Articles of Association of the Company, Mr. B.K. Bakhshi, Dr. Bharat H. Barai and Dr. Gorantla Govindaiah, Directors retire by rotation at the ensuing Annual General Meeting and offered themselves for re-appointment. Your Directors recommend their re-appointment.

8. AUDITORS

The Statutory Auditors M/s. Venugopal & Chenoy, Chartered Accountants, appointed by the Members at their earlier Annual General Meeting retire at the conclusion of this Meeting and they are eligible for re-appointment. The Members are requested to appoint the Auditors and to fix their remuneration.

9. PERSONNEL

During the year, none of the employees is in receipt of remuneration in excess of the limits prescribed u/s. 217(2A) for the Companies Act, 1956, read with Companies (Particulars of Employee) Rules, 1975, as amended from time to time.

10. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A "Management Discussion and Analysis Report" has been furnished separately and the same forms part of this report..

11. CORPORATE GOVERNANCE

A brief report on Corporate Governance in compliance with clause 49 of the Listing Agreement is annexed.

12. DIRECTORS RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.

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

- (i) that in the preparation of the accounts for the financial year ended 31st March, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;*
- (ii) that the Directors have 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 your Company at the end of the financial year and of the profit or loss of your Company for the year under review;*
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the Provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities.*
- (iv) that the Directors have prepared the accounts for the financial year ended 31st March, 2010 on a 'going concern' basis.*

(Formerly SHRI SHAKTI LPG LTD.)

13. ACKNOWLEDGEMENT

The Board wishes to place on record its deep sense of gratitude and appreciation to all the Promoters and Shareholders for their whole hearted support to your Company. The Board also wishes to acknowledge the help and assistance rendered by the Banks, Dealers, Customers, Suppliers, Collaborators, Consultants and Contractors. The Board wishes to further record its gratitude to various Departments of the Government of Andhra Pradesh and Government of India and other State Governments for their support and encouragement given to your Company. The Board records its appreciation for the contribution of all the team members of your Company.

14. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE

The prescribed details as required u/s. 217(1)(e) of the Companies Act, 1956 are annexed.

For and on behalf of the Board of Directors

Sd/-

D. V. MANOHAR

Chairman & Managing Director

Place : Hyderabad

Date : 06.09.2010

MANAGEMENT DISCUSSION AND ANALYSIS

SHRI SHAKTI LPG LTD (SSLPG) has been engaged in the business of LPG marketing. The management discussion and analysis given below discusses the key issues concerning the LPG industry in general and SSLPG in particular followed by the recent developments wherein the company decided to diversify into power and infrastructure under the new identity of SHRI MATRE POWER AND INFRASTRUCTURE LTD (SMPIL).

Industry Structure and Developments :

LPG marketing was the monopoly of the Government Oil Companies who had piled up a huge waitlist. The Government of India in 1993 permitted the private sector participation with a commitment that the subsidy enjoyed by the Government Oil Companies would be removed in a phased manner in the next few years. It had also committed that the commercial and industrial LPG markets in India would be reserved exclusively for the private sector, till the subsidy withdrawal in the domestic sector is completed. None of the promises were implemented as a result of which the private sector companies were unable to run the LPG business on a profitable basis due to the total absence of the level playing field.

The Government of India even failed to implement its G.O. Ms. No.224 dated 27th November,1997 wherein the Government committed phased withdrawal of subsidy on LPG over a period of 3 years ending with March, 2001. This was subsequently shifted to end of March ,2002. Because of Government's failure to honour its commitments as above and the consequent absence of level playing field, the entire private sector industry was badly affected and became loss making. The Ministry of Petroleum issued a notification stating that the subsidies on LPG and Kerosene will be removed in a phased manner by the year 2007 only. However, the same is yet to be implemented.

SSLPG were the pioneers in the field of LPG marketing and established large integrated infrastructure to carry LPG from dock (Port) to the door of customers, which consisted of dedicated port facilities, large storage terminals, network of bottling plants and distribution and marketing networks. Your company was able to do well from the commencement of commercial operations in 1995 till 1999 and became profitable. Infact your company emerged as the country's largest private sector LPG Company. However, due to abnormal rise in crude oil prices during 1999 to 2000, the international LPG prices also shot up. Despite the big spurt in sourcing costs, it was not possible to proportionately increase the prices due to competition with the Government Subsidized gas by virtue of which the company incurred losses. This was further aggravated in the subsequent years due to the growing disparity in the prices between the private LPG operators and the PSU Oil Undertakings, on account of non-removal of subsidy as mentioned earlier. Because your company's dedicated customer base was much larger, it had to suffer greater losses as more sales meant more losses. Inspite of the difficult times, the company built a strong brand image viz., SHAKTI GAS which is still quite popular.

SSLPG entered into LPG Auto Fuel market and developed for the first time patented technology for converting the 2 stroke engines of both 3 wheelers and 2 wheelers to run on LPG in collaboration with Automotive Research Association of India (ARAI). In June, 2007, SSLPG received two patents jointly with ARAI for the above. The Government of India which agreed in principle to permit LPG as auto fuel, took a very long time to enact the legislative amendment. The highly potential auto fuel market which was to open by 1998, was not available till recently due to delay in finalization of norms by the Government and setting up of adequate number of LPG dispensing stations.

(Formerly SHRI SHAKTI LPG LTD.)

Opportunities and Threats :

Your company has taken up a three pronged strategy for its turn around which was as follows :

- a) One Time Settlement (OTS) with term loan, working capital lenders and unsecured loans wherein the entire accumulated interest along with considerable part of the principle amount is waived.
- b) Tie up financial arrangements to raise the amounts required for meeting the OTS commitments.
- c) Marketing Action Plan to aggressively sell LPG in the commercial, industrial and auto fuel markets in addition to extensive and accelerated marketing of Shakti Gas Auto Kits in all the cities where it is mandatory to convert three wheelers to run on environment-friendly fuels at the earliest.

SSLPG achieved a major breakthrough when the company paid off all the term loans and working capital liabilities under the One Time Settlement (OTS) deal, wherein the Banks & Financial Institutions agreed to waive the interest and considerable part of the principal and accept the balance in full & final settlement of their term loans and working capital loans. The company got a very good deal from all the three banks & Financial Institutions based on our strong contention that the company from the position of the acknowledged leader of the private sector LPG Industry, fell down and became loss making and sick only because the Government did not honour the commitments given to private LPG industry.

Outlook :

As could be seen from the above, the Company had been badly let down by the Government of India who did not honour its commitments given to the Private Sector LPG Industry. Despite the best efforts being put in by all the team members, the company is not able to make much progress in reviving its LPG Business. It is primarily due to the fact that the Government could still not do much to withdraw the subsidy on LPG as committed by it. Over the years, the subsidy has further ballooned thereby substantially enlarging the gap between government subsidized gas and the private sector non subsidized gas.

As the future prospects in LPG business do not seem to be bright enough, it is decided to diversify.

In India electricity is always in short supply. Despite the increase in new power generation plants, the gap between demand and supply has not reduced. The average per capita consumption of electricity in India is about 700 kWh which is far below the World average of 2300 kWh. The Indian government has set ambitious goals in the 11th plan for power sector owing to which the power sector is poised for significant expansion. In order to provide availability of over 1000 units of per capita electricity by year 2012, it has been estimated that need-based capacity addition of more than 100,000 MW would be required.

The Government of India has recently announced Jawaharlal Nehru National Solar Mission (JNNSM) for promoting solar power projects in various parts of the country. The objective of the JNNSM under the brand "Solar India" is to establish India as a global leader in solar energy by creating the policy conditions for its diffusion across the country as quickly as possible. The Mission has set a target of 20,000 MW and stipulates implementation and achievement of the target in 3 phases (first phase upto 2012-13, second phase from 2013-17 and third phase from 2017-22) for various components including utility grid connected solar power. Under this, it is proposed to harness the solar energy abundantly available in India and use the same for power generation to meet the ever growing demand for electricity across the country.

(Formerly SHRI SHAKTI LPG LTD.)

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Therefore it is decided to diversify into power generation and solar power to begin with. This would be followed up with a foray into the infrastructure arena. To enable your company to do the same, the Main Objects and Other Objects of the Memorandum of Association of your Company have been changed along with the change of name to Shri Matre Power & Infrastructure Ltd after duly obtaining the shareholders approval through the postal ballot process and securing the requisite statutory approvals.

Shri Matre Power & Infrastructure Limited (SMPIL) is participating in the tender bid process floated by the above nodal agency NVVN. SMPIL has already acquired 146 acres of land in Ramdevara Village near Pokhran, Jodhpur District, Rajasthan where the solar radiation levels are amongst the highest in the country. Further requisite water for a solar thermal project is also available on the land. Your Company is in the process of tying up for advanced technology with leading international technology providers. Your Directors are optimistic that your Company would succeed in the above bid process and implement and operate the solar power project profitably.

Risks & Concerns :

The Management of the company analyses and evaluates on a continuous basis the various risks associated with the business and adopts Risk Management Practices to minimize the adverse impact of these risks. Both external as well as internal developments are assessed regularly.

The Management constantly scans the environment covering areas like market scenario, Government policies, national as well as global developments, technological changes etc. Business risks and uncertainties are identified and prioritized. Appropriate strategies are planned and implemented.

Internal Control Systems :

The company has an effective Internal Control System with respect to purchase and sale of inventory, fixed assets and goods. It has an internal audit department wherein audit of the transactions of the plants and the corporate offices are done at periodical intervals in order to ensure that recording and reporting are adequate and proper. The internal audit also verifies whether internal controls and checks and balances in the system are adequate, proper and upto date corrective actions for any weaknesses in the system that are disclosed by the audit are taken.

The Audit Committee consists of eminent Independent Directors. It reviews the important observations of the Internal Audit and suggests corrective action for the management to implement. It also meets periodically to review and recommend quarterly, half - yearly and annual financial statements of the company. The Committee also holds discussions with the Internal Auditors, Statutory Auditors and the Management on the matters relating to internal controls, auditing and financial reporting. The Committee also reviews with the statutory auditors, the scope and results of the audits.

(Formerly SHRI SHAKTI LPG LTD.)

Financial performance Vs. Operations performance :

During the year the Company has earned profit of ₹ 20841 thousands (previous year incurred loss of ₹ 39289 thousands). After providing depreciation of ₹ 30122 thousands (previous year ₹ 30284 thousands) the total loss for the year stood at ₹ 412408 thousands (previous year ₹ 433249 thousands)

Human Resources & Industrial Relations :

The company continues to maintain cordial industrial relations. Retention of the workforce is a key challenge considering the exponential growth in the industrial sector. The company has been consistently working on learning development of employees to enable them to take on larger responsibilities.

The company had on its rolls 14 permanent employees at the end of financial year 2009-10.

Cautionary Statement :

Statement in this Management Discussion & Analysis describing the company's objectives, projected estimates and expectations may constitute forward looking statement within the meaning of applicable laws and regulations. Actual results might differ marginally or materially from those either expressed or implied.

(Formerly SHRI SHAKTI LPG LTD.)

A REPORT ON CORPORATE GOVERNANCE

a) Company's Philosophy

Shri Matre Power & Infrastructure Ltd. (SMPIL) is committed to the highest standards of Corporate Governance in all its activities and processes. The driving forces of Corporate Governance at Shri Matre Power & Infrastructure Ltd. are its core competence and core values - Belief in Core Competence, people, leadership, consumer orientation and pursuit of excellence and strive to achieve the best in all the fields.

b) Board of Directors

(i) *Composition and Category of Directors :*

The Board comprises 10 Directors, who bring in a pool of collective knowledge from various disciplines. The Board has been constituted in a manner which will result in an appropriate mix of Executive and Non-Executive Directors. The Non-Executive Directors bring independent judgement in the Board's deliberations and decisions. This has been done to preserve the independence of Board and effective discharge of its functions of Governance and Management.

Name	Category	Designation	No. of meetings held during the last financial year	No. of meetings attended	No. of memberships in Boards of other Companies	Attendance of each Director at last AGM
Mr. D.V.Manohar	Promoter and Executive Director	Chairman and Managing Director	4	4	6	Yes
Mr. D.V.Satya Kumar	Promoter and Director	Director	4	4	5	Yes
Mr. D.V. Raja Sekhar	Promoter and Director	Director	4	2	4	Yes
Mr. B. K. Bakhshi	Independent and Non-Executive Director	Director	4	1	3	No
Dr. Bharat H. Barai	NRI Director	Director	4	-	2	No
Dr. A. Balasetti	NRI Director	Director	4	-	1	No
Dr. Gorantla Govindaiah	NRI Director	Director	4	-	-	No
Mr. B.K. Sinha	Independent and Non-Executive Director	Director	4	3	1	Yes
Mr. R. Prabhakara Rao	Independent and Non-Executive Director	Director	4	2	-	Yes
Mr. V. Subrahmanyam	Independent and Non-Executive Director	Director	4	3	-	Yes

(Formerly SHRI SHAKTI LPG LTD.)

(ii) Board Meetings :

The Board has a formal schedule of matters reserved for its consideration and decision. These include approving business strategy, setting performance targets, reviewing performance, approving investments, ensuring adequate availability of financial resources and reporting to the Shareholders. Board Meetings were held during the year on 30.06.2009, 23.07.2009, 31.10.2009 and 28.01.2010.

(iii) Directors seeking re-appointment :

Mr. B. K. Bakhshi, Dr. Bharat H. Barai and Dr. Gorantla Govindaiah retire as Directors at this Annual General Meeting and being eligible have offered themselves for re-appointment.

(iv) Board Committees :

To enable better and more focussed attention on the affairs of the Company, the Board delegates certain matters to the Committees of the Board set up for the purposes.

(v) Shares held by Independent & Non-Executive Directors :

None of the Independent and Non-Executive Directors hold any Shares in the Company.

c) Audit Committee

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's overall responsibilities, an Audit Committee has been constituted as sub-committee to the Board. The functions of the Audit Committee include;

- Reviewing the adequacy of internal control systems and the Internal Audit Reports, and their compliance thereof.*
- Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.*
- Recommending the appointment of external auditors and fixation of their audit fee, and also approval for payment for any other services.*
- Reviewing with Management, the quarterly and annual financial statements before submission to the Board.*

Composition and other details

The Audit Committee of the Company consists of three Independent Directors and one Promoter Director viz.,

- 1) *Mr. V. Subrahmanyam, Director*
- 2) *Mr. B. K. Bakhshi, Director*
- 3) *Mr. B. K. Sinha, Director*
- 4) *Mr. D. V. Satya Kumar, Director*

During the year under review, Mr. D. V. Rajasekhar has attended 2 meetings and Mr. D. V. Satya Kumar has attended 2 meetings. Mr. B. K. Sinha has attended 3 meetings, Mr. B. K. Bakshi has attended 1 and Mr. V. Subrahmanyam has attended 1 meeting during the year.

The meetings of the Audit Committee were attended by the heads of Finance, and Auditors as invitees. Members held discussions with the Statutory auditors during the meetings of the Committee and the quarterly and annual Audited Financial results of the Company were reviewed by the Audit Committee before consideration and approval by the Board of Directors.

(Formerly SHRI SHAKTI LPG LTD.)

d) Remuneration Committee

The Remuneration committee is constituted to evaluate remuneration and benefits for Executive Directors as per Clause 49 of the Listing Agreement.

(i) Remuneration Policy :

The Directors are paid a sitting fee of ₹ 2,500/- each for the Board Meetings held on 30.06.2009, 23.07.2009, 31.10.2009 and 28.01.2010.

(ii) Sitting Fees paid to Directors:

	₹
1. Mr. D.V. Satya Kumar	12,000
2. Mr. D.V. Rajasekhar	7,000
3. Mr. B.K. Sinha	10,500
4. Mr. R. Prabhakar Rao	5,000
5. Mr. B. K. Bakhshi	3,500
6. Mr. V. Subrahmanyam	5,000
TOTAL	43,000.00

e) Share Transfer/Investors' Grievance Committee

The share transfer committee meets periodically and approves the share transfers received and places before the Board for ratification.

As a measure of good Corporate Governance and to focus on the shareholders' grievances towards strengthening investor relations, an Investors' Grievance Committee, as a sub-committee to the Board of Directors has been constituted.

a) The functions of the committee include;

to specifically look into the redressal of investors' grievances pertaining to

- 1) Transfer of rights/Bonus/split share certificates
- 2) Other related Shares
- 3) Dividends
- 4) Dematerialization of Shares
- 5) Replacement of lost/stolen/mutilated share certificates
- 6) Non-receipt of issues

The committee focuses on the strengthening of investor relations.

b) Constitution and Composition.

The Committee was constituted with Mr. B.K. Sinha, Director, Mr. D. V. Manohar, Chairman and Managing Director and Mr. D. V. Satya Kumar, Director.

(Formerly SHRI SHAKTI LPG LTD.)

f) Venue and Time of the Last Three Annual General Meetings.

Date	Venue	Time	No. of Special Resolutions	Members present by	
				Person	Proxy
27.09.2007	Hari Hara Kala Bhavan, Near Patny Circle, Secunderabad	10.30 a.m.	-	360	9
25.09.2008	Hari Hara Kala Bhavan, Near Patny Circle, Secunderabad	10.30 a.m.	-	405	10
31.08.2009	Hari Hara Kala Bhavan, Near Patny Circle, Secunderabad	10.30 a.m.	-	435	7

g) Disclosures

There are no materially significant related party transactions i.e. transactions, material in nature, with its promoters, the Directors or the Management, their subsidiaries or relatives etc., having potential conflict with the interests of the company at large.

The Shares of the Company were re-listed at Bombay Stock Exchange (BSE) w.e.f. 29.06.2010 and the BSE has lifted suspension in the shares of our Company and the trading started w.e.f. 29.06.2010.

The company has been complying with all statutory requirements including annual listing fees for the year 2009-10.

h) Means of Communication

The Company has a website viz., www.shrishakti.com. The annual financial results are posted on the Company's website for the information of its shareholders. The audited financial results are generally published in the leading English Dailies and as well as in the vernacular (Telugu) Newspaper.

All material information about the Company is promptly sent through mail to the Indian Stock Exchanges where the Company's shares are listed and released to the Press for information of the public at large.

i) General Shareholders Information

(a) *Annual General Meeting*

17th Annual General Meeting to be held on 30th September, 2010 at Hari Hara Kala Bhavan, S.P. Road, Secunderabad - 500 003.

(Formerly SHRI SHAKTI LPG LTD.)

(b) *Un-audited Financial results were approved as follows :*

- First Quarter - July, 2009
- Second Quarter - October, 2009
- Third Quarter - January, 2010
- Fourth Quarter - May, 2010

(c) *Book closure from 29.09.2010 to 30.09.2010 (both days inclusive).*

i) *The shares of the Company are listed on :*

The Shares of the Company were re-listed at Bombay Stock Exchange (BSE) w.e.f. 29.06.2010 and the BSE has lifted suspension in the shares of our Company and the trading started w.e.f. 29.06.2010.

ii) *Depository for Equity Shares: NSDL and CDSL.*

*ISIN for the Company's Equity Shares: **INE 293B 01011***

STOCK CODE :

NSE : SHAKTIGAS

HSE : SAK

BSE : 531322 (SHRI SHAK)

STOCK MARKET DATA :

There is no quotation of the Company's Shares during the year 2009-10, hence the information is not provided.

SHARE TRANSFER AGENT :

M/s. XL Softech Systems Ltd., whose address is given below has been appointed as Registrar & Share Transfer Agents for looking after the work related to Share registry for both physical and electronic modes.

XL SOFTECH SYSTEMS LTD.,

3, Sagar Society, Banjara Hills,

Hyderabad - 500 034.

Tel : 91-040-23545913 / 14 / 15

Fax : 91-040-23553214

E-mail : xlfield@rediffmail.com

Website : www.xlsoftech.org

SHARE TRANSFER SYSTEM :

The Board has authorised the Chairman & Managing Director and any other Director to approve transfer / transmission / transposition of Shares.

(Formerly SHRI SHAKTI LPG LTD.)

DISTRIBUTION OF SHAREHOLDING :

Range		No. of Shareholders	
From	To	No.	%
<i>Upto</i>	<i>5000</i>	<i>8863</i>	<i>47.39</i>
<i>5001</i>	<i>10000</i>	<i>6242</i>	<i>33.37</i>
<i>10001</i>	<i>20000</i>	<i>1762</i>	<i>9.42</i>
<i>20001</i>	<i>30000</i>	<i>438</i>	<i>2.34</i>
<i>30001</i>	<i>40000</i>	<i>319</i>	<i>1.71</i>
<i>40001</i>	<i>50000</i>	<i>308</i>	<i>1.65</i>
<i>50001</i>	<i>100000</i>	<i>280</i>	<i>1.50</i>
<i>100001 & above</i>		<i>492</i>	<i>2.63</i>

DEMATERIALISATION OF SHARES :

As on 31st March, 2010, the Company has dematerialised 20073052 Equity Shares out of the total 58000000 of Paid-up Capital of the Company.

*Demat ISIN No. in NSDL & CDSIL for Equity Shares
INE 293B 01011.*

OUTSTANDING GDRs/ADRs etc. :

The Company has not issued any GDRs / ADRs and there are no outstanding warrants or any convertible warrants.

REGISTERED OFFICE/ADDRESS FOR CORRESPONDENCE :

*SHRI MATRE POWER & INFRASTRUCTURE LTD.
(Formerly SHRI SHAKTI LPG LTD.)*

*Venus Plaza, Begumpet, Hyderabad-500 016
Phone : 040-27902929 ; Fax : 040-27908989
Email : info@shrishakti.com
Website: <http://www.shrishakti.com//>*

PLANT LOCATION :

- (a) *Kakinada : Shri Matre Power & Infrastructure Limited
Nemam (Village), Beach Road, Kakinada
Phone : 0884-6563346*
- (b) *Bibinagar : Shri Matre Power & Infrastructure Limited
Old Warangal Road, Near: SVG Granites,
Bibinagar (Vill & Mandal), Nalgonda District (AP)
Phone : 08685 - 278321*

By Order of the Board

Sd/-

D. V. Manohar
Chairman & Managing Director

*Place: Hyderabad
Date : 06.09.2010*

AUDITOR'S CERTIFICATE

To

The Members of
Shri Matre Power & Infrastructure Ltd.,
Hyderabad.

We have examined the compliance of conditions of corporate governance by Shri Matre Power & Infrastructure Ltd., for the year ended 31.03.2010, as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for examining the compliance 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 our opinion and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that generally no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further 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.

For VENUGOPAL & CHENOY
CHARTERED ACCOUNTANTS

Place: Hyderabad
Date : 06.09.2010

Sd/-
(P.V.SRI HARI)
Partner
M.No.21961

(Formerly SHRI SHAKTI LPG LTD.)

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT.

A. CONSERVATION OF ENERGY

Energy Consumption measures taken :

- a. *The Company in its first year of operation itself has initiated effective measures for saving all forms of Energy. The measures taken were as under :*
 - *Installed automatic un-loaders on Air Compressors to operate on reaching the adequate pressure required for bottling operations and to run the equipment in no load condition at Kakinada Terminal.*
 - *The street lights and plant lighting circuits are modified so that during non-working hours, only 30% of the lights are illuminated at Kakinada Terminal.*
 - *The bulk and bottling operations are synchronised to optimise the running of the LPG and related equipment at Kakinada Terminal.*
- b. *Additional investments and proposals, if any being implemented for reduction in consumption of energy. The proposals are :*
 - *Installed 25 KVA Generator set for exclusive lighting load in the absence of SEB supply during non-working hours at Kakinada Terminal.*
- c. *Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of bottling.*
- d. *Total Energy Consumption and Energy Consumption per unit of product.*

Energy Conservation Measures :

The following Energy Conservation Measures were implemented during the previous years.

1. *Auto switching off of A/c Units, Exhaust Fans, Street Lights.*
2. *Reduction in compressed air consumption by fixing Regulators and Auto Controllers.*

Power & Fuel Consumption at Bottling Plants :

	Particulars	Unit	
a)	Purchased Unit	KWH	31195
	Rate	₹ /KWH	15.30
	Total	₹	4,77,535.00
b)	Own Generation Unit	KWH	375
	Rate	₹ /KWH	37.67
	Total	₹	14,128.00

(Formerly SHRI SHAKTI LPG LTD.)

B. TECHNOLOGY ABSORPTION

The Company has taken up several initiatives for undertaking Research and Development (R&D) on Technology Absorption, Adaptation and Innovation during the year. The Company has indigenously developed a Conversion Kit with fixed tank for Three Wheelers to run on LPG. The company holds two patents jointly with M/s. Automotive Research Association of India (ARAI) towards the same.

C. FOREIGN EXCHANGE EARNINGS AND OUTGOINGS :

(₹ in Lakhs)

Current Year

1) Foreign Exchange earned	NIL
2) Foreign Exchange used	NIL
a. Import of Capital Goods	NIL
b. Import of raw materials and spares	NIL
c. Travelling and other expenditure	NIL

For and on behalf of the Board of Directors

Sd/-

D. V. Manohar

Chairman & Managing Director

PLACE : HYDERABAD

DATE : 06.09.2010

AUDITOR'S REPORT

To,
The Members,
Shri Matre Power & Infrastructure Ltd.,
Hyderabad.

We have audited the attached Balance Sheet of Shri Matre Power & Infrastructure Ltd., Hyderabad, as at March 31, 2010 and the Profit and Loss Account for the year ended on that date annexed thereto and Cash flow Statement for the year ended on that date. These financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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 the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
2. 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, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) In our opinion, and based on information and explanations given to us, none of the directors is disqualified as on March 31, 2010, from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) In our Opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Significant Accounting Policies and Notes to Accounts thereon give the information

(Formerly SHRI SHAKTI LPG LTD.)

required by the Companies Act, 1956, in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India;

- (i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at March 31, 2010;*
- (ii) In so far as it relates to the Profit and Loss Account, of the Loss of the Company for the year ended on that date;
and*
- (iii) In so far as it relates to the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.*

For VENUGOPAL & CHENYOY
CHARTERED ACCOUNTANTS

Place: Hyderabad
Date : 29.05.2010

Sd/-
(P.V.SRI HARI)
Partner
M.No.21961

ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 2 of our report of even date

1. *In respect of its fixed assets:*
 - a. *The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets, which require to be updated.*
 - b. *As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies between the books / record and the physical inventory were noticed on such verification.*
 - c. *In our opinion, the Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.*
2. *In respect of its inventories:*
 - a. *As explained to us, inventories have been physically verified by the management at reasonable intervals during the year .*
 - b. *In our opinion and according to the information and explanations given to us, 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 has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.*
3. *The Company did not take nor granted any loans, secured or unsecured, from or to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.*
4. *In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods.*
5. *In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, aggregating during the year to ₹ 5,00,000/- (Rupees Five lakhs only) or more in respect of any party.*
6. *The Company has not accepted any deposits from the public.*
7. *The company has an in-house Internal Audit Department. In our opinion, the scope and coverage of internal audit system of the Company is commensurate with its size and nature of its business.*
8. *We have been informed that, though maintenance of Cost Records has been prescribed by the Central Government for the company's product, the maintenance of such records are not applicable to the Company as the aggregate value of the turnover does not exceed ₹ 10 Crores.*
 - a) *The company is fairly regular in depositing amounts of Provident Fund and Employees State Insurance dues. In respect of Income Tax, Sales Tax, Wealth Tax, Custom Duty and Excise Duty, there are no undisputed amounts outstanding as at March 31, 2010 for a period of more than six months from the date they became payable, except in respect of Sales Tax of ₹ 89.34 Lakhs not paid as on date.*

(Formerly SHRI SHAKTI LPG LTD.)

- b) *The disputed statutory dues aggregating to ₹ 352.77 Lakhs that have not been deposited on account of matters pending before appropriate authorities are as under:*

Sl. No.	Name of the Statute	Nature of the Dues	Forum where Dispute is pending	Amount ₹ in Lakhs
1.	Customs Duty Act	Customs Duty	CEGAT	352.77
Total				352.77

9. *In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.*
10. *In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, Clause – 4 (xiii) of the Companies (Auditors' Report) Order, 2003, is not applicable to the Company.*
11. *The Company has not dealt in or traded in shares, securities, debentures and other investments.*
12. *The Company has not given guarantees for loans taken by others from banks or financial institutions.*
13. *The Company has not raised any new term loans during the year from banks nor there are outstanding term loans as at 31.03.2010.*
14. *The company during the year did not raise any short-term loans and hence the question of their usage does not arise.*
15. *During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.*
16. *The Company has not issued any debentures during the year.*
17. *The Company has not raised any money by way of public issue during the year.*
18. *In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statements to be materially misstated.*

For VENUGOPAL & CHENYOY
CHARTERED ACCOUNTANTS

Place : Hyderabad
Date : 29.05.2010

Sd/-
(P. V. SRI HARI)
Partner
M.No.21961

(Formerly SHRI SHAKTI LPG LTD.)

BALANCE SHEET OF SHRI MATRE POWER & INFRASTRUCTURE LIMITED AS AT 31ST MARCH 2010

Particulars	SCH	As At 31.03.2010 ₹ in '000s	As At 31.03.2009 ₹ in '000s
Sources of Funds			
<i>Share Holders Funds</i>			
<i>Share Capital</i>	I	528,840	515,465
<i>Reserves & Surplus</i>	II	258,521	258,521
		<u>787,361</u>	<u>773,986</u>
Loan Funds			
<i>Unsecured Loans</i>	III	113,465	215,125
		<u>113,465</u>	<u>215,125</u>
		<u>900,826</u>	<u>989,111</u>
Application of Funds			
Fixed Assets			
Gross Block	IV	1,126,818	1,161,935
<i>Less: Depreciation</i>		787,414	757,423
Net Block		<u>339,404</u>	<u>404,512</u>
Investments	V	10,250	10,250
Current Assets Loans & Advances			
<i>Currents Assets</i>			
<i>A. Inventories</i>		78,403	78,790
<i>B. Receivables</i>		5,569	5,632
<i>C. Cash and Bank Balances</i>		70	85
<i>D. Other Current Assets</i>		66,600	66,600
<i>E. Loans and Advances</i>		28,592	28,297
		<u>179,234</u>	<u>179,404</u>
Current Liabilities and Provision	VII	<u>40,470</u>	<u>63,803</u>
Net Current Assets		<u>138,764</u>	<u>115,601</u>
Miscellaneous Expenditure <i>(to the extent not written off or adjusted)</i>	VIII	0	25,499
Profit & Loss Account (per annexed a/c.)		<u>412,408</u>	<u>433,249</u>
Total		<u>900,826</u>	<u>989,111</u>
NOTES FORMING PART OF ACCOUNTS	XV		

Our Report Attached
for **Venugopal & Chenoy**
Chartered Accountants

Sd/-
P.V.Sri Hari
Partner
M.No. 21961

Sd/-
D.V.Manohar
Chairman &
Managing Director

For and on behalf of the Board

Sd/-
D.V. Satya Kumar
Director

Sd/-
V.Subrahmanyam
Director

Place : Hyderabad
Date : 29.05.2010

(Formerly SHRI SHAKTI LPG LTD.)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

SCH	Year ended 31.03.2010 ₹ in '000s	Year ended 31.03.2009 ₹ in '000s	
Income			
<i>Sales</i>	IX	542	8,286
<i>Other Income</i>	X	77,885	5,140
<i>Profit on Sale of Assets</i>		3,011	5,910
<i>Increase/(Decrease) In Stocks</i>	XIV	-50	-294
Total		81,388	19,042
Expenditure			
<i>Materials</i>	XI	478	6,944
<i>Personnel</i>	XII	687	2,516
<i>Administrative & Other Expenses</i>	XIII	3,039	9,857
<i>Interest</i>		721	7,500
<i>Preliminary & Other Expenses W/Off</i>		25,500	1,200
<i>Depreciation</i>		30,122	30,284
Total		60,547	58,301
<i>Profit/(Loss) Before Prior Period Items</i>		20,841	-39,259
<i>Profit/(Loss) Before Provision For Tax</i>		20,841	-39,259
<i>Add: Fringe Benefit Tax</i>		0	30
<i>Net Profit/(Loss) After Tax</i>		20,841	-39,289
<i>Add: Balance Brought Forward</i>		-433,249	-393,960
<i>Balance Carried to Balance Sheet</i>		-412,408	-433,249
Notes forming part of Accounts	XV		

*Our Report Attached**for Venugopal & Chenoy**Chartered Accountants**Sd/-***P.V.Sri Hari****Partner****M.No. 21961***Sd/-***D.V.Manohar****Chairman &
Managing Director****For and on behalf of the Board***Sd/-***D.V. Satya Kumar****Director***Sd/-***V.Subrahmanyam****Director***Place : Hyderabad**Date : 29.05.2010*

(Formerly SHRI SHAKTI LPG LTD.)

	31.03.2010 ₹ in '000s	31.03.2009 ₹ in '000s
Schedule I		
SHARE CAPITAL		
Authorised :		
60,000,000 EQUITY SHARES OF ₹ 10/- EACH (March 31, 2009, 60,000,000 Equity Shares of ₹ 10/- each)	600,000	600,000
Issued:		
58,000,000 Equity Shares of ₹ 10/- each (March 31, 2009, 58,000,000 Equity Shares of ₹ 10/- each)	580,000	580,000
Subscribed & Paid Up		
58,000,000 Equity Shares of ₹ 10/- each (March 31, 2009, 58,000,000 Equity Shares of ₹ 10/- each)	580,000	580,000
Less: Calls In Arrears	51,160	64,535
Total	528,840	515,465
Schedule II : Reserves & Surplus		
As on 01-04-2009		
Capital Reserve		
Investment Subsidy	2,000	2,000
Revaluation Reserve		
As on 01-04-2009	256,521	256,521
Less : Transfer to General Reserve	223,350	33,171
General Reserve		
Transfer from Revaluation Reserve	223,350	
Total	258,521	258,521
Schedule III : Unsecured Loans		
Term Loans		
Chintalpathi Holding Pvt. Ltd.	0	25,000
Interest Accrued Due	0	26,069
Venture Tech Pvt Ltd	0	25,000
Interest Accrued Due	0	6,888
Deferred Sales Tax From State Govt. of A.P.	28,367	28,367
Security Deposit From Dealers	85,098	103,801
Total	113,465	215,125

SCHEDULE IV - FIXED ASSETS

(₹ in '000s)

DESCRIPTION OF ASSET	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	ASAT 01.04.2009	ADDITIONS	DELETIONS/ ADJUSTMENTS	ASAT 31.03.2010	ASAT 01.04.2009	FOR THE PERIOD	DELETIONS/ ADJUSTMENTS	UPTO 31.03.2010	ASAT 31.03.2010	ASAT 31.03.2009
LAND / DEVELOPMENT	87,965	0	34,904	53,061	0	0	0	0	53,061	87,965
BUILDINGS - FACTORY	20,190	0	0	20,190	8,957	674	0	9,631	10,559	11,233
BUILDINGS - OTHERS	22,490	280	600	22,170	4,981	361	131	5,211	16,959	17,509
PLANT & MACHINERY	576,010	76	0	576,086	295,818	27,364	0	323,182	252,904	280,191
VEHICLES	1,446	0	0	1,446	1,446	0	0	1,446	0	0
OFFICE EQUIPMENTS	1,900	6	0	1,906	1,095	90	0	1,185	721	806
COMPUTERS	3,746	25	0	3,771	3,740	16	0	3,756	15	5
OTHER EQUIPMENTS	243	0	0	243	168	12	0	180	63	74
MISCELLANEOUS ASSETS	3,087	0	0	3,087	2,090	147	0	2,237	850	997
CYLINDERS	355,383	0	0	355,383	355,343	17	0	355,360	23	38
REGULATORS	72,933	0	0	72,933	72,906	21	0	72,927	6	27
FURNITURE & FIXTURES	6,369	0	0	6,369	4,977	403	0	5,380	989	1,394
TECHNICAL KNOW-HOW	10,173	0	0	10,173	5,901	1,017	0	6,918	3,255	4,271
TOTAL	1,161,935	387	35,504	1,126,818	757,422	30,122	131	787,414	339,404	404,512
PREVIOUS YEAR	1,170,695	0	8,760	1,161,935	727,293	30,284	155	757,422	404,512	443,401

(Formerly SHRI SHAKTI LPG LTD.)

	31.03.2010 in '000s	31.03.2009 in '000s
Schedule V: Investments		
<i>(Non Trade, Unquoted, stated at Cost)</i>		
<i>32,100 Equity Shares of ₹ 10/- each in</i>		
<i>M/s Asia LPG Pvt. Ltd., a wholly owned Subsidiary</i>		
	10,250	10,250
Total	10,250	10,250
Schedule VI : Current Assets loans and Advances		
A : Inventories		
<i>Stock of LPG</i>	0	0
<i>Stock of Cylinders, Regulators, Steel & Spares</i>	78,242	78,587
<i>Finished Good / Auto Kits</i>	161	203
Total	78,403	78,790
B : Sundry Debtors (Unsecured and Considered Good)		
<i>More than Six Months</i>	5,569	5,632
Total	5,569	5,632
C : Cash and Bank Balances		
<i>Cash on Hand</i>	12	66
<i>Balances with Scheduled Banks</i>		
<i>- in Current Accounts</i>	58	19
Total	70	85
D. Other Current Assets		
Total	66,600	66,600
E : Loans and Advances		
<i>Staff Advances And Employee Loans</i>	129	105
<i>Deposits With Government Bodies & Others</i>	4,586	4,600
<i>TDS and Advance Income Tax</i>	732	729
<i>Other Advances & Deposits</i>	23,145	22,863
Total	28,592	28,297
Total	179,234	179,404

(Formerly SHRI SHAKTI LPG LTD.)

	31.03.2010 ₹ in '000s	31.03.2009 ₹ in '000s
Schedule VII: Current Liabilities & Provisions		
Sundry Creditors:		
<i>For Supplies</i>	891	12,673
<i>For Expenses</i>	13,027	22,638
<i>Others</i>	26,552	28,492
Total	40,470	63,803
Schedule VIII: Miscellaneous Expenditure <i>(to the extent not written off or adjusted)</i>		
<i>Market Seeding Expenses</i>	0	6,809
<i>Deferred Revenue Expenses</i>	0	2,124
<i>Public Issue Expenses</i>	0	16,566
Total	0	25,499
Schedule IX: Sales		
<i>Sales of Packed LPG</i>	482	8,195
<i>Sales of Auto Kits</i>	60	91
Total	542	8,266
Schedule X: Other Income		
<i>Amounts Written Back</i>	76,808	0
<i>Bottling Charges</i>	322	5,027
<i>Sale of Cylinders</i>	712	0
<i>Other Miscellaneous Income</i>	43	113
Total	77,885	5,140
Schedules XI : Materials		
<i>Opening Stock</i>	329	859
<i>Purchases</i>	448	6,414
<i>Less : Closing Stock</i>	299	329
Consumption	478	6,944
Schedule XII : Personnel		
<i>Salaries and Wages</i>	16	1,786
<i>Contribution to Provident Fund & ESI</i>	95	154
<i>Director's Remuneration</i>	576	576
Total	687	2,516

(Formerly SHRI SHAKTI LPG LTD.)

	31.03.2010 ₹ in '000s	31.03.2009 ₹ in '000s
Schedule XIII : Expenses		
<i>Conveyance</i>	13	84
<i>Rent</i>	0	120
<i>Postage Telegrams & Telephones</i>	12	214
<i>Travelling Expenses</i>	16	754
<i>Electricity</i>	487	1,127
<i>Bank Charges</i>	38	41
<i>Insurance</i>	12	4
<i>Vehicle Maintenance</i>	3	41
<i>Plant Maintenance</i>	107	679
<i>Sales Tax</i>	22	556
<i>Selling Expenses</i>	130	128
<i>Rates and Taxes</i>	218	2,149
<i>Security Charges</i>	738	633
<i>Legal Expenses</i>	170	204
<i>Professional Consultancy</i>	715	1,271
<i>AGM Expenses</i>	166	204
<i>Auditors Remuneration:</i>		
<i>Audit Fee</i>	60	60
<i>Tax Audit Fee</i>	15	15
<i>Service Tax</i>	16	0
<i>Gratuity</i>	12	25
<i>Listing Fee</i>	58	189
<i>Office Maintenance</i>	10	615
<i>Miscellaneous Expenses</i>	21	744
Total	3,039	9,857
Schedule XIV : Increase / (Decrease) In		
Stock Of Finished Goods		
<i>Closing Stock Of Filled Cylinders/ Full Kits</i>	161	211
<i>Opening Stock Of Filled Cylinders/ Full Kits</i>	211	505
Total	-50	-294

NOTES ON ACCOUNTS SCHEDULE - XV

A. ACCOUNTING POLICIES :

1. BASIS OF ACCOUNTING :

Financial Statements are prepared under historical cost convention, on accrual basis.

2. FIXED ASSETS :

Fixed Assets are stated at cost less accumulated depreciation plus revaluation done on the basis of technical evaluation. Cost is inclusive of freight, duties, levies and any directly attributable cost of bringing the assets to their working condition for intended use.

3. DEPRECIATION :

Depreciation on Fixed Assets except Technical Know-how, is provided on Straight Line Method, as per the rates prescribed in Schedule – XIV to the Companies Act, 1956. Depreciation on additions made during the year is provided proportionately for the period for which the assets have been put to use, starting at the month subsequent to the month in which the asset was put to use. Depreciation on Technical Know-how is provided on straight line method at 10% per annum.

4. INVENTORY VALUATION:

- a) *Raw Materials and Stores and Spares are valued at cost*
- b) *Finished goods are valued at lower of cost or net realisable value.*
- c) *Cylinders, Valves, Adaptors, Regulators and Steel are classified under stores and spares (Current Assets) and are valued at cost.*

5. INCOME RECOGNITION:

- a) *Sales are inclusive of all taxes wherever applicable, and net of returns.*
- b) *Sales are accounted on dispatch of goods.*
- c) *Income on services is recognized on release of regulators.*

6. PRIOR PERIOD ADJUSTMENTS:

Expenditure / Income relating to prior period not exceeding ₹10,000/- in each case is debited/ credited to relevant Heads of Account.

7. PREPAID EXPENSES:

Prepaid expenses not exceeding ₹10,000/- in each case are charged to revenue in the year of incurrence.

8. FOREIGN CURRENCY TRANSACTIONS :

Foreign Currency transactions are accounted at equivalent rupee value.

9. CLAIMS:

Claims are accounted on receipt / acceptance.

10. INVESTMENT SUBSIDY:

Subsidies received from Governments, both Central and State, and from any other appropriate authorities, which are in the nature of capital receipt, are credited to Capital Reserve.

B. NOTES ON ACCOUNTS

1. CONTINGENT LIABILITIES

(₹ in '000s)

	As on 31.03.2010	As on 31.03.2009
i) <i>Claims not acknowledged as debts</i>	668	668
ii) <i>Differential Customs Duties demanded by Customs authorities pending in Appeals</i>	26,915	26,915

- As the operations of the company are going on and as the company has various new scheme of activities and plans for the future, the accounts of the Company for the year are drawn up 'on going concern ' basis.*
- Balances standing to the debit/credit of parties are subject to confirmation by them and review by the Company.*
- "Other Current Assets" represents amount encashed by The Kerala State Co-operative Consumer Federation Ltd. from State Bank of Hyderabad and Punjab National Bank by invoking guarantees given in their favour by the company and are considered good and recoverable by the Company, and the Company has filed a suit for the recovery of the amount.*
- The Company is entitled for deferred payment of Sales tax due to Government of Andhra Pradesh under New Comprehensive Scheme of State Incentives, 1992 (NCSSI) for Kakinada Unit. Such deferred amount is payable by the company at the end of 10 years. Under the Scheme, the company has deferred payment of a sum of ₹ 283.67 lacs to the Government of Andhra Pradesh and the same is shown under "Unsecured Loans".*
- Keeping in view of the huge carried forward losses, the Company, as a matter of prudence, did not recognize deferred tax assets.*
- "Investments" (Schedule V) of the Company are long-term investments. Hence, no provision is made for diminution in the value of Investments as it is temporary.*
- The information as to the status of the suppliers being SSI units is not made available to the Company. Hence, identification of debts in respect of these units and their ageing cannot be ascertained.*

(Formerly SHRI SHAKTI LPG LTD.)

9. Quantitative details and value of consumption of materials, opening and closing stock.						
	2009-10			2008-09		
	KKD	HYD	B'LORE	KKD	HYD	B'LORE
<i>i. Annual Installed Capacity (MT)</i>	45000	20000	12000	45000	20000	12000
<i>ii. Production (MT)</i>	-	0	11.275	-	82.521	59.821
<i>iii. Capacity Utilisation Bottling of LPG (MT)%</i>	-	0	0.0940	-	0.413	0.498
	2009-10		2008-09			
	Qty. MT	Value (₹'000)	Qty. MT	Value (₹'000)		
<i>iv. Opening Stock of LPG</i>	0.221	8	12.010	486		
<i>v. Closing Stock</i>	0	0	0.221	8		
<i>vi. Turnover : Bottled LPG</i>	11.496	480	154.131	8195		
	2009-10		2008-09			
	Qty. MT	Value (₹'000)	Qty. MT	Value (₹'000)		
<i>vii. Auto Conversion Kits</i>						
- <i>Closing Stock of Kits</i>	23	161	29	203		
- <i>Kits Turnover</i>	6	61	6	91		
10. MANAGERIAL REMUNERATION (₹ 'in lacs)						
	2009-10		2008-09			
	Salary (₹'000)	Perks (₹'000)	Salary (₹'000)	Perks (₹'000)		
<i>Managing Director</i>	576	90	576	90		

(Formerly SHRI SHAKTI LPG LTD.)

11. Segment information for the year ended 31st March 2010

(i) Information about Primary Business Segments (₹ in '000s)

	Liquified Petroleum Gas		Auto Conversion Kits		Total	
	2010	2009	2010	2009	2010	2009
Revenue						
External	481	8,195	60	91	542	8,286
Inter segment	0	0	0	0	0	0
Total Revenue	481	8,195	60	91	542	8,286
Result						
Segment result	(3,631)	(10,780)	(31)	(382)	(3,662)	(11,163)
Unallocated expenditure net of unallocated income	0	0	0	0	0	0
Interest expenses	(721)	(7,500)	0	0	(721)	(7,500)
Interest income	0	0	0	0	0	0
Provision for Taxation	0	0	0	0	0	0
Profit/(loss) after taxation and before exceptional items	20,872	(38,931)	(31)	(358)	20,841	(39,259)
Exceptional items	0	0	0	0	0	0
Net Profit	20,872	(38,901)	(31)	(358)	20,841	(39,289)
Other information						
Segment assets	518,191	583,270	447	542	518,638	583,812
Segment liabilities	156,291	277,233	1,244	1,592	153,935	278,825
Capital expenditure	0	0	0	0	0	0
Depreciation	29,105	29,267	1,017	1,017	30,122	30,284
Non-cash expenses other than depreciation	25,500	1,200	0	0	25,500	1,200

(ii) Notes:-

(i) The company is organized into two main business segments namely

- Liquified Petroleum Gas –Comprising of Bulk and Packed LPG
- Auto Conversion Kits- LPG conversion kits for three wheelers

Segments have been identified and reported taking into account the nature of products and services, the differing risks and returns, the organization structure, and the Internal financial reporting system

(ii) Segment Revenue in each of the above domestic business segments primarily includes sales and bottling charges

(iii) Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

(Formerly SHRI SHAKTI LPG LTD.)

12. Related Party Disclosures :

Related party disclosures, as required by Accounting Standard 18, "Related Party Disclosures" issued by the institute of Chartered Accountants of India are given below :

1) Key Management Personnel :

Directors :

Mr.D.V.Manohar

Sitting fee of ₹ 0.43 Thousands (Previous Year - ₹ 0.63 Thousands) was paid during the year.

2) Subsidiary Company :

M/s. Asia LPG Private Limited

There are no transactions carried out with the subsidiary company in the ordinary course of business during the year.

3) Related parties with whom the company had transactions

a) M/s. Shri Shakti Resorts & Hotels Limited

b) M/s. Shri Shakti Cylinders Private Limited

The company during the year had transactions amounting to ₹ 119 thousands (previous year ₹ 576 thousands) with the above related parties.

13. *Previous Year's figures have been re-grouped/re-classified/re-stated as far as practicable and wherever necessary to confirm with current year presentation.*

14. *Amounts have been rounded off to the nearest thousands.*

For and on behalf of the Board of Directors

Sd/-
D. V. MANOHAR
Chairman &
Managing Director

Sd/-
D.V. SATYA KUMAR
Director

Sd/-
V.SUBRAHMANYAM
Director

Place : Hyderabad

Date : 29.05.2010

(Formerly SHRI SHAKTI LPG LTD.)

BALANCE SHEET ABSTRACT AND A COMPANY'S GENERAL BUSINESS PROFILE**I. Registration Details**State Code Registration No. Balance Sheet
Date Date Month Year**II. Capital Raised during the year (Amount in ₹ Thousands)**

Public Issue

Rights Issue

Bonus Issue

Private Placement

 III. Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousands)

Total Liabilities

Total Assets

Sources of Funds

Paid-up Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Misc. Expenditure

Accumulated Losses

 IV. Performance of Company (Amount in ₹ Thousands)

Turnover

Total Expenditure

+ -

Profit / Loss Before Tax

+ -

Profit / Loss After Tax

(Please tick appropriate box + for Profit - for Loss)

Earning per Share in ₹

Dividend

(Formerly SHRI SHAKTI LPG LTD.)

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. 0000002901

(ITC Code)

Product Description LIQUIFIED PETROLEUM GAS

Item Code No. 0000008410

(ITC Code)

Product Description LPG CYLINDERS

Item Code No. 0000008410

(ITC Code)

Product Description LPG REGULATORS

For and on behalf of the Board

Sd/-
D. V. MANOHAR
 Chairman &
 Managing Director

Sd/-
D.V. SATYA KUMAR
 Director

Sd/-
V.SUBRAHMANYAM
 Director

Place : Hyderabad

Date : 29.05.2010

(Formerly SHRI SHAKTI LPG LTD.)

CASH FLOW STATEMENT OF SHRI MATRE POWER & INFRASTRUCTURE LIMITED AS AT 31ST MARCH, 2010

	YEAR ENDED 31.03.10	YEAR ENDED 31.03.09
	₹ in '000s	₹ in '000s
:A. Cash Flow From Operating Activities		
<i>Profit Before Tax And Extraordinary Items</i>	20,841	-39,259
<i>Adjustments For:</i>		
<i>Depreciation</i>	30,122	30,284
<i>Foregin Exchange</i>	0	0
<i>Investments</i>	0	0
<i>Interest / Dividend</i>	721	7,500
	<u>30,843</u>	<u>37,784</u>
Operating Profit Before Working Capital Changes	51,684	-1,475
Adjustments For :		
<i>Trade And Other Receivables</i>	-232	-1,042
<i>Inventories</i>	387	572
<i>Trade Payables</i>	-23,333	-6,475
	<u>-23,178</u>	<u>-6,945</u>
Cash Generated From Operations	28,506	-8,420
<i>Interest</i>	721	7,500
	721	7,500
Cash Flow Before Extra Ordinary Items	27,785	-15,920
Extra Ordinary Items		
<i>Fringe Benefit Tax</i>	0	29
<i>Public Issue Expenses (Prior Period)</i>	-25,500	-1,200
<i>Expenditure Pertaining to Previous Year</i>	0	
	<u>-25,500</u>	<u>-1,171</u>
Net Cash From Operating Activities	53,285	-14,749
B. Cash Flow From Investing Activities		
<i>Purchase / Reduction of Fixed Assets</i>	-387	
<i>Sales of Fixed Assets</i>	35,374	8,604
	<u>34,987</u>	<u>8,604</u>
Net Cash Used In Investing Activities	88,272	-6,145
C. Cash Flow From Financing		
<i>Repayment of Finance Lease Liabilities</i>	-101,660	5,956
<i>Share Capital (Calls in Arrears)</i>	13,374	0
	<u>-88,286</u>	<u>5,956</u>
Net Cash Used In Financing Activities	-88,286	5,956
Net Increase In Cash And Cash Equivalents	-14	-189
<i>Cash And Cash Equivalent As At 1.4.09</i>	85	274
<i>Cash And Cash Equivalent As At 31.3.10</i>	71	85
	<u>-14</u>	<u>-189</u>

For and on behalf of the Board of Directors

Place : Hyderabad
Date : 29.05.2010Sd/-
D.V.Manohar
Chairman & Managing DirectorSd/-
D.V. Satya Kumar
DirectorSd/-
V.Subrahmanyam
Director

Auditor's Certificate

We have verified the above Cash Flow Statement compiled from the audited financial statements of M/s Shri Matre Power & Infrastructure Ltd. for the years ended 31.03.2010 and 31.03.2009. According to the information and explanations given to us, the above cash flow statement has been prepared in consonance with the applicable accounting standards on cash flow statements issued by the Institute of Chartered Accountants of India and found the same to be in accordance with the requirements of the amended clause 32 of the Listing Agreement with the Stock Exchanges.

For Venugopal & Chenoy
Chartered AccountantsSd/-
P V SRI HARI
Partner
M.No. 21961Place : Hyderabad
Date : 29.05.2010

(Formerly SHRI SHAKTI LPG LTD.)

**CONSOLIDATED BALANCE SHEET OF SHRI MATRE POWER & INFRASTRUCTURE LIMITED AND
ITS SUBSIDIARY AS AT 31ST MARCH, 2010**

	SCH	As At 31.03.2010 ₹ in '000s	As At 31.03.2009 ₹ in '000s
Source Of Funds			
<i>Share Holders Funds</i>			
<i>Share Capital</i>	I	528,840	515,465
<i>Reserves & Surplus</i>	II	261,021	261,021
		789,861	776,486
Loan Funds			
<i>Unsecured Loans</i>	III	126,652	228,303
		126,652	228,303
Total		916,513	1,004,789
Application Of Funds			
Fixed Assets	IV		
Gross Block		1,140,458	1,175,575
<i>Less :Depreciation</i>		796,181	765,614
Net Block		344,277	409,961
<i>Goodwill</i>		7,040	7,040
<i>Capital Work In Progress</i>		14,165	14,165
Total		365,482	431,166
Current Assets Loans & Advances	V		
<i>Current Assets</i>			
<i>A. Inventories</i>		80,423	81,350
<i>B. Receivables</i>		7,060	6,635
<i>C. Cash And Bank Balances</i>		86	87
<i>D. Other Current Assets</i>		66,600	66,600
<i>E. Loans And Advances</i>		29,016	28,718
		183,185	183,390
<i>Current Liabilities And Provisions</i>	VI	48,542	73,040
<i>Net Current Assets</i>		134,643	110,350
<i>Miscellaneous Expenses (To The Extent Not Written Off Or Adjusted)</i>	VII	0	25,499
Profit & Loss Account (Per Annexed A/c.)		416,388	437,774
Total		916,513	1,004,789
Notes Forming Part Of Accounts	XIV		

*Our Report Attached
for Venugopal & Chenoy
Chartered Accountants*

For and on behalf of the Board of Directors

Sd/-
P.V.Sri Hari
Partner
M.No. 21961

Sd/-
D.V.Manohar
Chairman &
Managing Director

Sd/-
D.V. Satya Kumar
Director

Sd/-
V.Subrahmanyam
Director

Place : Hyderabad
Date : 29.05.2010

(Formerly SHRI SHAKTI LPG LTD.)

CONSOLIDATED PROFIT AND LOSS ACCOUNT OF SHRI MATRE POWER & INFRASTRUCTURE LIMITED AND ITS SUBSIDIARY FOR THE YEAR ENDED 31ST MARCH, 2010

	SCH	YEAR ENDED 31.03.2010 ₹ in '000s	YEAR ENDED 31.03.2009 ₹ in '000s
Income			
Sales	VIII	542	8,874
Other Income	IX	84,883	11,257
Profit on Sale of Assets		3,011	5,910
Increase /(Decrease) In Stocks	XIII	-50	-294
Total		88,386	25,747
Expenditure			
Materials	X	478	7,510
Personnel	XI	2,994	3,411
Expenses	XII	6,510	13,222
Interest		721	7,500
Preliminary & Other Exps W/Off		25,500	1,200
Depreciation	IV	30,697	30,859
Total		66,900	63,702
Profit Before Prior Period Items		21,486	-37,955
Profit Before Provision For Tax		21,486	-37,955
Provision for MAT		100	207
Add: Fringe Benefit Tax		0	36
Net Profit /(Loss) After Tax		21,386	-38,198
Add: Balance Brought Forward		-437,774	-399,576
Balance Carried To Balance Sheet		-416,388	-437,774
Notes Forming Part Of Accounts	XIV		

Our Report Attached
for Venugopal & Chenoy
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
P.V.Sri Hari
Partner
M.No. 21961

Sd/-
D.V.Manohar
Chairman &
Managing Director

Sd/-
D.V. Satya Kumar
Director

Sd/-
V.Subrahmanyam
Director

Place : Hyderabad
Date : 29.05.2010

(Formerly SHRI SHAKTI LPG LTD.)

	31.03.2010 ₹ in '000s	31.03.2009 ₹ in '000s
Schedule I :		
Share Capital		
Authorised :		
60,000,000 EQUITY SHARES OF ₹10/- EACH (March 31, 2009, 60,000,000 Equity Shares of ₹ 10/- each)	600,000	600,000
Issued :		
58,000,000 Equity Shares of ₹ 10/ each (March 31, 2009, 58,000,000 Equity Shares of ₹ 10/- each)	580,000	580,000
Subscribed :		
58,000,000 Equity Shares of ₹10/ each (March 31, 2009, 58,000,000 Equity Shares of ₹ 10/- each)	580,000	580,000
Less : Calls in Arrears	51,160	64,535
Total Paid Up Capital	528,840	515,465
Schedule II : Reserves & Surplus		
Investment Subsidy	4,500	4,500
<u>Revaluation Reserve :</u>		
As on 01.04.2009	256,521	256,521
Less : Transfer to General Reserve	223,350	33,171
<u>General Reserve :</u>		
Transfer from Revaluation Reserve	223,350	0
Total	261,021	261,021
Schedule III : Unsecured Loans		
Term Loans		
Chintalapathi Holdings Pvt. Ltd.	0	25,000
Interest Accrued And Due	0	26,069
Venture Tech Pvt. Ltd.	0	25,000
Interest Accrued And Due	0	6,888
Deferred Sales Tax From State Govt. Of A.P.	28,367	28,367
Security Deposit From Dealers	85,098	116,979
Additional Security Deposit	2,380	0
Cylinder Floor Stock	3,951	0
Dealer Deposit	3,248	0
S.V.Deposit - Cylinders & Regulators	3,608	0
Total	126,652	228,303

CONSOLIDATED FIXED ASSETS OF SHRI MATRE POWER & INFRASTRUCTURE LTD. AND ITS SUBSIDIARY

SCHEDULE IV - CONSOLIDATED FIXED ASSETS

(₹ in '000s)

DESCRIPTION OF ASSET	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	ASAT 01.04.2009	ADDITIONS	DELETIONS/ ADJUSTMENTS	ASAT 31.03.2010	ASAT 01.04.2009	FOR THE PERIOD	DELETIONS/ ADJUSTMENTS	UPTO 31.03.2010	ASAT 31.03.2010	ASAT 31.03.2009
LAND	87,965	0	34,904	53,061	0	0	0	0	53,061	87,965
LAND/DEVELOPMENT	0	0	0	0	0	0	0	0	0	0
BUILDINGS - FACTORY	20,190	0	0	20,190	10,969	674	0	11,643	8,547	8,619
BUILDINGS - OTHERS	26,843	280	600	26,523	4,981	506	131	5,356	21,167	22,468
PLANT & MACHINERY	584,641	76	0	584,717	301,450	27,774	0	329,224	255,493	283,191
VEHICLES	1,460	0	0	1,460	1,446	0	0	1,446	14	14
OFFICE EQUIPMENTS	2,232	6	0	2,238	1,427	90	0	1,517	721	1,136
COMPUTERS	3,746	25	0	3,771	3,740	16	0	3,756	0	0
OTHER EQUIPMENTS	243	0	0	243	168	12	0	180	63	74
MISCELLANEOUS ASSETS	3,087	0	0	3,087	2,090	147	0	2,237	850	664
CYLINDERS	355,383	0	0	355,383	355,343	17	0	355,360	23	39
REGULATORS	72,933	0	0	72,933	72,906	21	0	72,927	6	28
FURNITURE & FIXTURES	6,680	0	0	6,680	4,977	423	0	5,616	1,064	1,489
TECHNICAL KNOW-HOW	10,173	0	0	10,173	5,901	1,017	0	6,917	3,256	4,269
TOTAL	1,175,575	387	35,504	1,140,458	765,614	30,697	131	796,181	344,277	409,961
PREVIOUS YEAR	1,184,339	0	8,760	1,175,575	734,662	30,859	155	765,614	409,961	449,677

(Formerly SHRI SHAKTI LPG LTD.)

	31.03.2010 ₹ in '000s	31.03.2009 ₹ in '000s
Schedule V : Current Assets, Loans & Advances		
A. Inventories		
Raw Materials	0	440
Stores and Spares	80,262	81,147
Finished Goods	161	203
Total	80,423	81,350
B.Sundry Debtors (Unsecured and Considered good)		
More than Six Months	7,060	6,635
Total	7,060	6,635
C:Cash And Bank Balances		
Cash On Hand	28	68
Balances With Scheduled Banks -In Current Accounts	58	19
Total	86	87
D.Others Current Assets		
	66,600	66,600
E.Loans And Advances		
Staff Advances And Employee Loans	143	111
Deposits With Government Bodies & Others	4,925	4,942
Other Advances & Deposits	23,948	23,665
Total	29,016	28,718
Total	183,185	183,390
Schedule VI Current Liabilities & Provisions		
Sundry Creditors :		
For Supplies	6,979	20,045
For Expenses	13,762	23,253
Others	27,802	29,742
Total	48,542	73,040
Schedule VII : Miscellaneous Expenditure (to the extent not written off or adjusted)		
Market Seeding Expenses	0	6,809
Deferred Revenue Expenses	0	2,124
Public Issue Expenses	0	16,566
Total	0	25,499
Schedule VIII : Sales		
Sales of Packed LPG	482	8,783
Sales of Auto Kits	60	91
Total	542	8,874
Schedule IX : Other Income		
Amounts Written Back	76,808	0
Bottling Charges	6,211	10,472
Other Miscellaneous Income	1,864	785
Total	84,883	11,257

(Formerly SHRI SHAKTI LPG LTD.)

		31.03.2010 ₹ in '000s	31.03.2009 ₹ in '000s
Schedule X : Materials			
<i>Opening Stock</i>		329	859
<i>Purchases</i>		448	6,980
<i>Less: Closing Stock</i>		299	329
Consumption	Total	478	7,510
Schedule XI : Personnel			
<i>Salaries And Wages</i>		2,323	2,681
<i>Contribution to Provident Fund & ESI</i>		95	154
<i>Director's Remuneration</i>		576	576
	Total	2,994	3,411
Schedule XII : Expenses			
<i>Conveyance</i>		150	111
<i>Rent</i>		0	120
<i>Postage Telegram & Telephones</i>		178	269
<i>Travelling Exp - Others</i>		311	754
<i>Electricity</i>		1,158	1,722
<i>Bank Charges</i>		38	41
<i>Insurance</i>		17	10
<i>Vehicle Maintenance</i>		33	41
<i>Plant Maintenance</i>		107	679
<i>Sales Tax</i>		22	556
<i>Selling Expenses</i>		130	128
<i>Rates & Taxes</i>		284	2,196
<i>Security Charges</i>		738	836
<i>Legal Expenses</i>		170	204
<i>Professional & Consultancy</i>		715	1,271
<i>AGM Expenses</i>		166	204
Auditors Remuneration :			
<i>Audit Fee</i>		80	80
<i>Tax Audit Fee</i>		25	25
<i>Service Tax</i>		16	0
<i>Gratuity</i>		12	25
<i>Listing Fee</i>		58	189
<i>Office Maintenance</i>		424	615
<i>Miscellaneous Expenses</i>		1678	3,146
	Total	6,510	13,222
Schedule XIV : Increase / (Decrease) In Stock Of Finished Goods			
<i>Closing Stock of Filled Cylinders/ Full Kits</i>		161	211
<i>Opening Stock of Filled Cylinders/ Full Kits</i>		211	505
	Total	-50	-294

CONSOLIDATED NOTES ON ACCOUNTS SCHEDULE - XIV**A. ACCOUNTING POLICIES :****1. BASIS OF ACCOUNTING :**

Financial Statements are prepared under historical cost convention, on accrual basis.

2. PRINCIPLES OF CONSOLIDATION :

a. *The consolidated financial statements relate to Shri Matre Power & Infrastrure Limited and its wholly owned subsidiaries. The consolidated financial statements have been prepared on the following basis :*

- *The financial statements of the Company and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.*

- *The consolidated financial statements have been prepared using uniform accounting policies for the transactions and other events in similar circumstances and are presented to the extent possible. In the same manner as the company's separate financial statement.*

b. *The excess of cost to the Company of its investment in the subsidiary is recognized in the financial statements as goodwill, which is amortized over a period of ten years.*

3. FIXED ASSETS :

Fixed Assets are stated at cost less accumulated depreciation plus revaluation done on the basis of technical evaluation. Cost is inclusive of freight, duties, levies and any directly attributable cost of bringing the assets to their working condition for intended use.

4. DEPRECIATION :

Depreciation on Fixed Assets except Technical Know-how, is provided on Straight Line Method, as per the rates prescribed in Schedule - XIV to the Companies Act, 1956. Depreciation on additions made during the year is provided proportionately for the period for which the assets have been put to use, starting at the month subsequent to the month in which the asset was put to use. Depreciation on Technical Know-how is provided on straight line method at 10% per annum.

5. INVENTORY VALUATION :

a) *Raw Materials and Stores and Spares are valued at cost*

b) *Finished goods are valued at lower of cost or net realisable value.*

c) *Cylinders, Valves, Adaptors, Regulators and Steel are classified under stores and spares (Current Assets) and are valued at cost.*

6. INCOME RECOGNITION :

a) *Sales are inclusive of all taxes wherever applicable, and net of returns.*

b) *Sales are accounted on dispatch of goods.*

c) *Income on services is recognized on release of regulators.*

7. PRIOR PERIOD ADJUSTMENTS :

Expenditure / Income relating to prior period not exceeding ₹ 10,000/- in each case is debited/ credited to relevant Heads of Account.

8. PREPAID EXPENSES :

Prepaid expenses not exceeding ₹ 10,000/- in each case are charged to revenue in the year of incurrence.

(Formerly SHRI SHAKTI LPG LTD.)

9. FOREIGN CURRENCY TRANSACTIONS :

Foreign Currency transactions are accounted at equivalent rupee value based on the exchange rate prevailing on the date of the transaction.

All assets and liabilities in foreign currency, if any, as at the balance sheet date are restated at the applicable exchange rates prevailing on that date.

All exchange differences arising in respect of foreign currency transactions relating to fixed assets are adjusted in the cost of the respective assets and other differences are dealt with in the Profit and Loss Account.

10. CLAIMS:

Claims are accounted on receipt / acceptance.

11. INVESTMENT SUBSIDY:

Subsidies received from Governments, both Central and State, and from any other appropriate authorities, which are in the nature of capital receipt, are credited to Capital Reserve.

B. NOTES ON ACCOUNTS**1. CONTINGENT LIABILITIES**

(₹ in '000s)

	As on 31.03.2010	As on 31.03.2009
i) Claims not acknowledged as debts	668	668
ii) Differential Customs Duties demanded by Customs authorities pending in Appeals	26,915	26,915
2. <i>As the operations of the company are going on and as the company has various new scheme of activities and plans for the future, the accounts of the Company for the year are drawn up on going concern basis.</i>		
3. <i>Balances standing to the debit/credit of parties are subject to confirmation by them and review by the Company.</i>		
4. <i>"Other Current Assets" represents amount encashed by The Kerala State Co-operative Consumer Federation Ltd. from State Bank of Hyderabad and Punjab National Bank by invoking guarantees given in their favour by the company and are considered good and recoverable by the Company, and the Company has filed a suit for the recovery of the amount.</i>		
5. <i>The Company is entitled for deferred payment of Sales tax due to Government of Andhra Pradesh under New Comprehensive Scheme of State Incentives, 1992 (NCSSI) for Kakinada Unit.. Such deferred amount is payable by the company at the end of 10 years. Under the Scheme, the company has deferred payment of a sum of ₹ 283.67 lacs to the Government of Andhra Pradesh and the same is shown under "Unsecured Loans".</i>		
6. <i>Keeping in view of the huge carried forward losses, the Company, as a matter of prudence, did not recognize deferred tax assets.</i>		
7. <i>"Investments" of the Company are long-term investments. Hence, no provision is made for diminution in the value of Investments as it is temporary.</i>		
8. <i>The information as to the status of the suppliers being SSI units is not made available to the Company. Hence, identification of debts in respect of these units and their ageing cannot be ascertained.</i>		

(Formerly SHRI SHAKTI LPG LTD.)

9. Quantitative details and value of consumption of materials, opening and closing stock.						
	2009-10			2008-09		
	KKD	HYD	B'LORE	KKD	HYD	B'LORE
<i>i. Annual Installed Capacity (MT)</i>	45000	20000	12000	45000	20000	12000
<i>ii. Production (MT)</i>	-	0	11.275	-	82.521	59.821
<i>iii. Capacity Utilisation Bottling of LPG (MT)%</i>	-	0	0.0940	-	0.413	0.498
	2009-10		2008-09			
	Qty. MT	Value (₹'000)	Qty. MT	Value (₹'000)		
<i>iv. Opening Stock of LPG</i>	0.221	8	12.010	486		
<i>v. Closing Stock</i>	0	0	0.221	8		
<i>vi. Turnover : Bottled LPG</i>	11.496	480	154.131	8195		
	2009-10		2008-09			
	Qty. MT	Value (₹'000)	Qty. MT	Value (₹'000)		
<i>vii. Auto Conversion Kits</i>						
- <i>Closing Stock of Kits</i>	23	161	29	203		
- <i>Kits Turnover</i>	6	61	6	91		
10. MANAGERIAL REMUNERATION (₹ 'in lacs)						
	2009-10		2008-09			
	Salary (₹'000)	Perks (₹'000)	Salary (₹'000)	Perks (₹'000)		
<i>Managing Director</i>	576	90	576	90		

(Formerly SHRI SHAKTI LPG LTD.)

11. Consolidated Segment information for the year ended 31st March 2010

(I) Information about Primary Business Segments (₹ in '000s)

	Liquified Petroleum Gas		Auto Conversion Kits		Total	
	2010	2009	2010	2009	2010	2009
Revenue						
External	482	8,783	60	91	542	8,874
Inter segment	0	0		0	0	0
Total Revenue	482	8,783	60	91	542	8,874
Result						
Segment result	(9,408)	(14,734)	(31)	(382)	(9,439)	(15,116)
Unallocated expenditure net of unallocated income	0	0	0	0	0	0
Interest expenses	(721)	(7,500)	0	0	(721)	(7,500)
Interest income	0	0	0	0	0	0
Provision for FBT	524	243	0	0	524	243
Profit/(loss) after taxation and before exceptional items	21,417	(37,840)	(31)	(358)	21,386	(38,198)
Exceptional items	0	0	0	0	0	0
Net Profit	21,417	(37,840)	(31)	(358)	21,386	(38,198)
Other information						
Segment assets	548,667	613,939	447	542	549,114	614,481
Segment liabilities	173,950	299,676	1,244	1,592	175,194	301,268
Capital expenditure	0	0	0	0	0	0
Depreciation	29,680	29,842	1,017	1,017	30,697	30,859
Non-cash expenses other than depreciation	25,500	1,200	0	0	25,500	1,200

(II) Notes :-

(i) The company is organized into two main business segments namely

- Liquified Petroleum Gas –Comprising of Bulk and Packed LPG
- Auto Conversion Kits- LPG conversion kits for three wheelers

Segments have been identified and reported taking into account the nature of products and services, the differing risks and returns, the organization structure, and the Internal financial reporting system

(ii) Segment Revenue in each of the above domestic business segments primarily includes sales and bottling charges

(iii) Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

(Formerly SHRI SHAKTI LPG LTD.)

12. Related Party Disclosures :

Related party disclosures, as required by Accounting Standard 18, "Related Party Disclosures" issued by the institute of Chartered Accountants of India are given below :

1) Key Management Personnel :

Directors :

Mr.D.V.Manohar

Sitting fee of ₹ 0.43 Thousands (Previous Year - ₹ 0.63 Thousands) was paid during the year.

2) Subsidiary Company :

M/s. Asia LPG Private Limited

There are no transactions carried out with the subsidiary company in the ordinary course of business during the year.

3) Related parties with whom the company had transactions

a) M/s. Shri Shakti Resorts & Hotels Limited

b) M/s. Shri Shakti Cylinders Private Limited

The company during the year had transactions amounting to ₹ 119 thousands (previous year ₹ 576 thousands) with the above related parties.

13. *Previous Year's figures have been re-grouped/re-classified/re-stated as far as practicable and wherever necessary to confirm with current year presentation.*

14. *Amounts have been rounded off to the nearest thousands.*

For and on behalf of the Board of Directors

Sd/-

D. V. MANOHAR

*Chairman &
Managing Director*

Sd/-

D.V. SATYA KUMAR

Director

Sd/-

V.SUBRAHMANYAM

Director

Place : Hyderabad

Date : 29.05.2010

(Formerly SHRI SHAKTI LPG LTD.)

CONSOLIDATED CASH FLOW STATEMENT OF SHRI MATRE POWER & INFRASTRUCTURE LIMITED AS AT 31ST MARCH, 2010

	YEAR ENDED 31.03.10 ₹ in '000s	YEAR ENDED 31.03.09 ₹ in '000s
:A. Cash Flow From Operating Activities		
Profit Before Tax And Extraordinary Items	21,386	-37,955
Adjustments For:		
Depreciation	30,697	30,859
Foregin Exchange	0	0
Investments	0	0
Interest/ Dividend	721	7,500
	<u>31,418</u>	<u>38,359</u>
Operating Profit Before Working Capital Changes	<u>52,804</u>	<u>404</u>
Adjustments For :		
Trade And Other Receivables	-723	425
Inventories	927	886
Trade Payables	-24,498	-10,274
	<u>-24,294</u>	<u>-8,963</u>
Cash Generated From Operations	<u>28,510</u>	<u>-8,559</u>
Interest	721	7,500
	<u>721</u>	<u>7,500</u>
Cash Flow Before Extra Ordinary Items	<u>27,789</u>	<u>-16,059</u>
Extra Ordinary Items		
Public Issue Expenses (Prior Period)	-25,499	-1,200
Expenditure Pertaining to Previous Year	0	0
	<u>-25,499</u>	<u>-1,200</u>
Net Cash From Operating Activities	<u>53,288</u>	<u>-14,859</u>
B. Cash Flow From Investing Activities		
Sales of Fixed Assets	-387	8,605
Sale of Investments	35,374	0
	<u>34,987</u>	<u>8,605</u>
Net Cash Used In Investing Activities	<u>88,275</u>	<u>-6,254</u>
C. Cash Flow From Financing		
Proceeds From Long- Term Borrowings	-101,651	6,044
Share Capital (Calls in Arrears)	13,375	0
	<u>-88,276</u>	<u>6,044</u>
Net Cash Used In Financing Activities	<u>-88,276</u>	<u>6,044</u>
Net Increase In Cash And Cash Equivalents	<u>-1</u>	<u>-210</u>
Cash And Cash Equivalent As At 1.4.09	87	297
Cash And Cash Equivalent As At 31.3.10	86	87
	<u>-1</u>	<u>-210</u>

For and on behalf of the Board of Directors

Place : Hyderabad
Date : 29.05.2010Sd/-
D.V.Manohar
Chairman & Managing DirectorSd/-
D.V. Satya Kumar
DirectorSd/-
V.Subrahmanyam
Director

Auditor's Certificate

We have verified the above Cash Flow Statement compiled from the audited financial statements of M/s Shri Matre Power & Infrastructure Ltd. for the years ended 31.03.2010 and 31.03.2009. According to the information and explanations given to us, the above cash flow statement has been prepared in consonance with the applicable accounting standards on cash flow statements issued by the Institute of Chartered Accountants of India and found the same to be in accordance with the requirements of the amended clause 32 of the Listing Agreement with the Stock Exchanges.

For Venugopal & Chenoy
Chartered AccountantsPlace : Hyderabad
Date : 29.05.2010Sd/-
P V SRI HARI
Partner
M.No. 21961

(Formerly SHRI SHAKTI LPG LTD.)

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANIES**

Name of the Subsidiary Company : ASIA LPG PVT. LIMITED

Extent of Holding : 100%

*The Financial Year of the
Subsidiary Company ended on* : 31.03.2010

*No aggregate amount of the
Subsidiary Company's Profits
dealt within the Holding
Company's Accounts*

*For The Subsidiary's aforesaid
Financial Year* : NIL

*For the previous Financial Year
since it became Subsidiary* : NIL

*Net aggregate amount of the
Subsidiary Company* :

*Profit / (Loss) not dealt within
the Holding Company's Accounts* :

*For the Subsidiary's Financial
Year* : (+) 546,491

*For the Previous Financial Year
since it became Subsidiary* : (+) 1,241,091

For and on behalf of the Board

Sd/-
D. V. Manohar
Chairman &
Managing Director

Sd/-
D. V. Satya Kumar
Director