

(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 (upto 25-07-2011) 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 EIGHTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD ON TUESDAY, THE 27<sup>TH</sup> SEPTEMBER 2011 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, 2011.
2. To appoint a Director in place of Mr. B.K.Sinha, 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. A.Balasetti, who is retiring at this Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. V. Subrahmanyam, 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.

By Order of the Board

Sd/-

**D. V. MANOHAR**

**Chairman & Managing Director**

PLACE : HYDERABAD

DATE : 03.09.2011

### **NOTE :**

1. A member entitled to attend and vote at 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 26-09-2011 to 27-09-2011 (both days inclusive).

## 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 31<sup>st</sup> March, 2011.

### 2. FINANCIAL PERFORMANCE

The Financial performance of the Company for the year 2010-11 is indicated below :  
(₹ 000 Omitted)

Particulars	2010-11	2009-10
Gross Income	51768	81388
Less : Expenditure excluding Interest, Depreciation & prior period and Extraordinary items	12328	29704
Profit / (Loss) before Interest, Depreciation & prior period and Extraordinary items	39440	51684
Interest	-	721
Profit / (Loss) before Depreciation	39440	50963
Depreciation	30093	30122
Profit / (Loss) before prior period and Extraordinary items	9347	20841
Net Profit / (Loss) before provision for Taxation	9347	20841
<b>Net Profit</b>	<b>9347</b>	<b>20841</b>

During the year, the company incurred cash profit of ₹ 39,440 thousands, (previous year Profit of ₹ 50,963 thousands). After providing for depreciation amounting to ₹ 30,093 thousands (previous year ₹ 30,122 thousands), the total profit for the year stood at ₹ 9347 thousands (previous year ₹ 20,841 thousands). We are happy to inform you that your company has succeeded in wiping out all its accumulated losses. Consequent to the setting off of reduction of the share capital amounting to ₹ 211,536 thousands and the general reserves amounting to ₹ 200,872 thousands against the accumulated losses of ₹ 412,408 thousands, your company concluded the year with a clean slate.

### Reduction of Share Capital

Our esteemed members have approved subject to approval of Hon'ble High Court of A.P., at the last AGM held on 30th September, 2010 the reduction of share capital of your company and also to set off losses incurred by the company to such reduction. The members also approved, amending the face value of share to ₹ 2/- per share.

(Formerly SHRI SHAKTI LPG LTD.)

The Directors are happy to inform you that the Hon'ble High Court of AP vide order CP No.124 of 2011 dtd 03.08.2011 has confirmed the proposal of the company, as required with effect from 01.10.2010. Accordingly the accounts as on 31.03.2011 were prepared duly incorporating the changes approved at AGM held on 30.09.2010.

### **Future Outlook :**

As you are aware, despite putting best efforts to revive its LPG Business your company could not achieve much progress. This is primarily due to the fact that the Government could not do much to withdraw the subsidy on LPG as committed by it. Hence last year, your Company decided to diversify into power generation and solar power to begin with under the name Shri Matre Power & Infrastructure Ltd.

The Jawaharlal Nehru National Solar Mission (JNNSM) has set targets for 20,000 MW of solar generation capacities to be set-up by 2022 and a recent KPMG study estimates that potential realization could be 67,000 MW by 2022 through National, State and Private initiatives.

In a relief for developers of solar power projects, the union ministry for environment and forests (MoEF) has clarified that no environmental clearance is required for solar power projects. The clarification comes in the wake of the Ministry of New and Renewable Energy (MNRE) taking up the matter with MoEF. "It is clarified that solar power projects are not covered under the ambit of EIA notification, 2006 and no environment clearance is required for such projects".

To start with, your company acquired 146 acres of land in Ramdevara Village near Pokhran, Jodhpur, Rajasthan to set up its solar project. Your Company participated in the tender bid process floated by NTPC Vidyut Vyapar Nigam Ltd (NVVN) but did not succeed.

The reduction of share capital would significantly equip your Company much better to participate in large tenders and thereby substantially strengthen our efforts to diversify into solar power generation. Your Company is participating in the next round of tendering for solar power projects under the JNNSM which would be taking place starting this month.

Further, your Company has been trying every single opportunity to enter into the solar power generation field. Your Company participated in the Vibrant Gujarat 2011 and registered with the Government of Gujarat for setting up a large Solar Power generation Plant. It is also seriously working on tie-ups for advanced technology with leading international technology providers in the solar field. Your Directors are optimistic that your company would succeed in the Solar Power project field soon.

It has always been the endeavor of your Directors to turn the company around at the earliest. Your Directors are putting in all out efforts and are leaving no stone unturned to achieve the same. With your company wiping out all its accumulated losses and starting off now with a clean slate, we are in a better position to achieve our objectives. As esteemed share holders are aware, your company is already Debt Free.

(Formerly SHRI SHAKTI LPG LTD.)

**3. DEPLOYMENT OF FUNDS :**

	( ₹ 000 Omitted)	
	31.03.2011	31.03.2010
<b>Sources of Funds</b>		
Share Capital and Reserves	384,300	787,361
Un-secured Loans and Trade Deposits	56,424	113,465
<b>Total</b>	<u>440,724</u>	<u>900,826</u>
<b>Application of Funds</b>		
Net Fixed Assets, Capital Work-in-progress	309,343	339,404
Investments	10,250	10,250
Net Current Assets	121,131	138,764
Profit and Loss A/c.	0	412,408
<b>Total</b>	<u>440,724</u>	<u>900,826</u>

**4. SUBSIDIARY COMPANY**

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

**5. DIVIDEND**

As your Company does not have enough profits, the Directors regret to inform you that they are not in a position to recommend any Dividend for the year ended 31.03.2011.

**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. Sinha, Dr. A.Balasetty and Mr.V.Subrahmanyam, Directors retire by rotation at the ensuing Annual General Meeting and offered themselves for re-appointment. Your Directors recommend their re-appointment. Mr.D.V.Satya Kumar resigned from the Board with effect 25.07.2011, due to personal reasons and the same has been accepted and the Board recorded its deep appreciation and profound gratitude for the invaluable services rendered by Mr.D.V.Satya Kumar to the company from the inception.

**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.

(Formerly SHRI SHAKTI LPG LTD.)

## 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 31<sup>st</sup> March, 2011, 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 31<sup>st</sup> March, 2011 on a ‘going concern’ basis.

## 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 : 03.09.2011

## 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 27<sup>th</sup> 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. In spite 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

(Formerly SHRI SHAKTI LPG LTD.)

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.

#### **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 11<sup>th</sup> 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.



(Formerly SHRI SHAKTI LPG LTD.)

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 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.

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 nodel 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

(Formerly SHRI SHAKTI LPG LTD.)

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.

#### **FINANCIAL PERFORMANCE VS. OPERATIONS PERFORMANCE :**

During the year the Company has earned cash profit of ₹ 39,440 thousands (previous year earned cash profit of ₹ 50,963 thousands). After providing depreciation of ₹ 30,093 thousands (previous year ₹ 30,122 thousands) the net profit for the year stood at ₹ 9347 thousands (previous year profit ₹ 20,841 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 2010-11.

#### **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 of 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	5	5	6	Yes
Mr. D.V.Satya Kumar	Promoter and Director	Director	5	5	5	Yes
Mr. D.V. Raja Sekhar	Promoter and Director	Director	5	3	4	Yes
Mr. B. K. Bakhshi	Independent and Non-Executive Director	Director	5	3	1	Yes
Dr. Bharat H. Barai	NRI Director	Director	5	-	2	No
Dr. A. Balasetti	NRI Director	Director	5	-	1	No
Dr. Gorantla Govindaiah	NRI Director	Director	5	-	-	No
Mr. B.K. Sinha	Independent and Non-Executive Director	Director	5	3	2	Yes
Mr. R. Prabhakara Rao	Independent and Non-Executive Director	Director	5	5	-	Yes
Mr. V. Subrahmanyam	Independent and Non-Executive Director	Director	5	4	1	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 29.05.2010, 30.07.2010, 06.09.2010, 20.10.2010 and 17.01.2011.

(iii) Directors seeking re-appointment :

Mr. B. K. Sinha, Dr.A.Balasetti and Mr.V.Subrahmanyam 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. B. K. Bakhshi, Director
- 2) Mr. B. K Sinha, Director
- 3) Mr. D. V. Satya Kumar, Director
- 4) Mr. V. Subrahmanyam, Director

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

(Formerly SHRI SHAKTI LPG LTD.)

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.

(i) Remuneration Policy :

The Directors are paid a sitting fee of ₹ 2,500/- each for the Board Meetings held during the year.

#### 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.

#### f) VENUE AND TIME OF THE LAST THREE ANNUAL GENERAL MEETINGS.

Date	Venue	Time	No. of Special Resolutions	Members present by	
				Person	Proxy
30.09.2010	Hari Hara Kala Bhavan, Near Patny Circle, Secunderabad	10.30 a.m.	-	475	21
31.08.2009	Hari Hara Kala Bhavan, Near Patny Circle, Secunderabad	10.30 a.m.	-	435	7
25-09-2008	Hari Hara Kala Bhavan, Near Patny Circle, Secunderabad	10.30 a.m.	-	405	10

(Formerly SHRI SHAKTI LPG LTD.)

**g)** During the year the company has passed Resolutions for amending objects clause and also for change of name through postal ballot as required under section 192A of the Companies Act 1956. The company also filed a petition for reduction of capital as approved by the members in the 17th Annual General Meeting held on 30.09.10

**h) 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.

**i) MEANS OF COMMUNICATION**

The Company has a website viz., [www.shrishakti.com](http://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.

**J) GENERAL SHAREHOLDERS INFORMATION**

(a) Annual General Meeting

18<sup>th</sup> Annual General Meeting to be held on 27<sup>th</sup> September, 2011 at Hari Hara Kala Bhavan, S.P. Road, Secunderabad - 500 003.

(b) Financial results were approved as follows :

Un-audited

- First Quarter - July, 2010
- Second Quarter - October, 2010
- Third Quarter - January, 2011

Audited

- Fourth Quarter - May, 2011

(c) Book closure from 26.09.2011 to 27.09.2011 (both days inclusive).

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

- a) The Hyderabad Stock Exchange Limited (HSE), The Stock Exchange, Mumbai (BSE), The National Stock Exchange of India Limited (NSE), The Delhi Stock Exchange Association Limited (DSE), The Stock Exchange, Ahmedabad (ASE), and Bangalore Stock Exchange Ltd (BSE)
- b) The Shares of the Company at present are listed at Stock Exchange, Mumbai (BSE) and actively trading.
- c) The company has been complying with all statutory requirements including listing fees for the year 2010-11.

ii) Depository for Equity Shares : NSDL and CDSL.

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

(Formerly SHRI SHAKTI LPG LTD.)

STOCK CODE :

BSE : 531322

**STOCK MARKET DATA : (For the Last Six Months)**

Month	Highprice/share	Low Price/Share
January, 2011	3.15	2.80
February, 2011	3.07	2.66
March, 2011	3.10	2.39
April, 2011	2.80	2.36
May, 2011	3.17	2.35
June, 2011	3.14	2.34

**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.

**DISTRIBUTION OF SHAREHOLDING :**

Range		No. of Shareholders	
From	To	No.	%
Upto	5000	8876	47.63
5001	10000	6147	32.98
10001	20000	1734	9.31
20001	30000	442	2.37
30001	40000	332	1.78
40001	50000	304	1.63
50001	100000	288	1.55
100001 & above		512	2.75

**(Formerly SHRI SHAKTI LPG LTD.)****DEMATERIALISATION OF SHARES :**

As on 31<sup>st</sup> March, 2011, the Company has dematerialised 20517850 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.

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 : 03.09.2011



## **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 31.03.2011, 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**

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

Place: Hyderabad  
Date : 03.09.2011

(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 year.

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	60035
Rate	₹ /KWH	7.93
Total	₹	4,76,306.00
b) Own Generation Unit	KWH	960
Rate	₹./KWH	12.90
Total	₹	12,392.00

(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 : 03.09.2011

## **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, 2011 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, 2011, from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**(Formerly SHRI SHAKTI LPG LTD.)**

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- 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 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, 2011;
- (ii) In so far as it relates to the Profit and Loss Account, of the Profit 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 & CHENOY  
CHARTERED ACCOUNTANTS

Place: Hyderabad  
Date : 03.09.2011

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, 2011 for a

(Formerly SHRI SHAKTI LPG LTD.)

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.

- 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
<b>Total</b>				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 31.03.2011.
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 & CHENOY  
CHARTERED ACCOUNTANTS

Place : Hyderabad  
Date : 03.09.2011

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 2011**

Particulars	SCH	As At	As At
		31.03.2011	31.03.2010
		₹ in '000s	₹ in '000s
<b>Sources of Funds</b>			
Share Holders Funds			
Share Capital	I	317,304	528,840
Reserves & Surplus	II	66,996	258,521
		<u>384,300</u>	<u>787,361</u>
<b>Loan Funds</b>			
Unsecured Loans	III	56,424	113,465
		<u>56,424</u>	<u>113,465</u>
<b>Total</b>		<u>440,724</u>	<u>900,826</u>
<b>Application of Funds</b>			
<b>Fixed Assets</b>			
<b>Gross Block</b>			
Less: Depreciation		817,507	787,414
<b>Net Block</b>		<b>309,343</b>	<b>339,404</b>
<b>Investments</b>	V	10,250	10,250
<b>Current Assets Loans &amp; Advances</b>			
<b>Currents Assets</b>			
A. Inventories		67,560	78,403
B. Receivables		5,573	5,569
C. Cash and Bank Balances		100	70
D. Other Current Assets		66,600	66,600
E. Loans and Advances		27,668	28,592
		<u>167,503</u>	<u>179,234</u>
<b>Current Liabilities and Provision</b>	VII	<b>46,371</b>	<b>40,470</b>
<b>Net Current Assets</b>		<b>121,131</b>	<b>138,764</b>
<b>Profit &amp; Loss Account (Previous Year)</b>		<b>0</b>	<b>412,408</b>
<b>Total</b>		<u>440,724</u>	<u>900,826</u>

## NOTES FORMING PART OF ACCOUNTS XIV

Our Report Attached  
for Venugopal & Chenoy  
Chartered Accountants

For and on behalf of the Board

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

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

Sd/-  
B.K.Sinha  
Director

Sd/-  
V.Subrahmanyam  
Director

Place : Hyderabad  
Date : 03.09.2011



(Formerly SHRI SHAKTI LPG LTD.)

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011**

	SCH	Year ended 31.03.2011 ₹ in '000s	Year ended 31.03.2010 ₹ in '000s
<b>Income</b>			
Sales	VIII	379	542
Other Income	IX	51,389	77,885
Profit on Sale of Assets		0	3,011
Increase/(Decrease) In Stocks	XIII	0	-50
<b>Total</b>		<u>51,768</u>	<u>81,388</u>
<b>Expenditure</b>			
Materials	X	340	478
Personnel	XI	2,622	687
Administrative & Other Expenses	XII	9,365	3,039
Interest		0	721
Preliminary & Other Expenses W/Off		0	25,500
Depreciation		30,093	30,122
<b>Total</b>		<u>42,421</u>	<u>60,547</u>
Profit/(Loss) Before Prior Period Items		9,347	20,841
Profit /(Loss) Before Provision For Tax		9,347	20,841
Net Profit/(Loss) After Tax		9,347	20,841
Notes forming part of Accounts	XIV		

Our Report Attached  
for Venugopal & Chenoy  
Chartered Accountants

For and on behalf of the Board

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

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

Sd/-  
B.K.Sinha  
Director

Sd/-  
V.Subrahmanyam  
Director

Place : Hyderabad  
Date : 03.09.2011

(Formerly SHRI SHAKTI LPG LTD.)

	31.03.2011 ₹ in '000s	31.03.2010 ₹ in '000s
<b>Schedule I</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised :</b>		
60,000,000 EQUITY SHARES OF ₹ 10/- EACH (March 31, 2010, 60,000,000 Equity Shares of ₹ 10/- each)	600,000	600,000
<b>Issued:</b>		
58,000,000 Equity Shares of ₹ 10/- each (March 31, 2010, 58,000,000 Equity Shares of ₹ 10/- each)	580,000	580,000
<b>Paid Up</b>		
16,03,57,200 Equity Shares of ₹ 2/- each (March 31, 2010, 5,11,78,600 Equity Shares of ₹ 10/- each)	320,714	580,000
Less: Calls In Arrears 68,21,400 Partly Paid shares to the extent of ₹ 0.50 per share (Previous year 68,21,400 to the extent of ₹ 7.50 per share)	3,410	51,160
<b>Total</b>	<b>317,304</b>	<b>528,840</b>
<b>Schedule II : Reserves &amp; Surplus</b>		
<b>As on 01-04-2010</b>		
<b>Capital Reserve</b>		
Investment Subsidy	2,000	2,000
<b>Revaluation Reserve</b>		
As per last year Balance Sheet	33,167	33,167
<b>General Reserve</b>		
As per Last year Balance Sheet	223,354	223,354
Less : Transferred to Profit & Loss a/c	200,872	0
Add : Reserves on Calls in Arrears	47,749	0
Sub Total	70,231	223,354
Less : Arrears on Calls	47,749	0
	22,482	223,354
Add : Profit & Loss Account as per annexed	9,347	0
	31,829	223,354
<b>Total</b>	<b>66,996</b>	<b>258,521</b>
<b>Schedule III : Unsecured Loans</b>		
Deferred Sales Tax From State Govt. of A.P.	28,367	28,367
Security Deposit From Dealers	28,057	85,098
<b>Total</b>	<b>56,424</b>	<b>113,465</b>

## SCHEDULE IV - FIXED ASSETS

(₹ in '000s)

DESCRIPTION OF ASSET	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS AT	ADDITIONS	DELETIONS/	AS AT	AS AT	FOR THE	DELETIONS/	UPTO	AS AT	AS AT
	01.04.2010		ADJUSTMENTS	31.03.2011	01.04.2010	PERIOD	ADJUSTMENTS	31.03.2011	31.03.2011	31.03.2010
LAND/DEVELOPMENT	53,061	0	0	53,061	0	0	0	0	53,061	53,061
BUILDINGS-FACTORY	20,190	0	0	20,190	9,631	674	0	10,305	9,885	10,559
BUILDINGS-OTHERS	22,170	0	0	22,170	5,211	361	0	5,572	16,597	16,959
PLANT&MACHINERY	576,086	25	0	576,111	323,182	27,365	0	350,547	225,563	252,904
VEHICLES	1,446	0	0	1,446	1,446	0	0	1,446	0	0
OFFICEEQUIPMENTS	1,906	8	0	1,914	1,185	91	0	1,276	637	721
COMPUTERS	3,771	0	0	3,771	3,756	8	0	3,764	7	15
OTHEREQUIPMENTS	243	0	0	243	180	11	0	191	52	63
MISCELLANEOUS ASSETS	3,087	0	0	3,087	2,237	146	0	2,383	704	850
CYLINDERS	355,383	0	0	355,383	355,360	10	0	355,369	13	23
REGULATORS	72,933	0	0	72,933	72,927	6	0	72,933	0	6
FURNITURE & FIXTURES	6,369	0	0	6,369	5,380	403	0	5,783	586	989
TECHNICAL KNOW-HOW	10,173	0	0	10,173	6,918	1,017	0	7,936	2,237	3,255
<b>TOTAL</b>	<b>1,126,818</b>	<b>33</b>	<b>0</b>	<b>1,126,850</b>	<b>787,414</b>	<b>30,093</b>	<b>0</b>	<b>817,507</b>	<b>309,343</b>	<b>339,404</b>
<b>PREVIOUS YEAR</b>	<b>1,161,935</b>	<b>387</b>	<b>-35,504</b>	<b>1,126,818</b>	<b>757,422</b>	<b>30,122</b>	<b>-131</b>	<b>787,414</b>	<b>339,404</b>	<b>404,512</b>

(Formerly SHRI SHAKTI LPG LTD.)

	31.03.2011 ₹ in '000s	31.03.2010 ₹ in '000s
<b>Schedule V: Investments</b>		
(Non Trade, Unquoted, stated at Cost)		
32,100 Equity Shares of ₹ 10/- each in		
M/s Asia LPG Pvt. Ltd., a wholly owned Subsidiary	10,250	10,250
<b>Total</b>	<b>10,250</b>	<b>10,250</b>
<b>Schedule VI : Current Assets loans and Advances</b>		
<b>A : Inventories</b>		
Stock of LPG	0	0
Stock of Cylinders, Regulators, Steel & Spares	67,399	78,242
Finished Good / Auto Kits	161	161
<b>Total</b>	<b>67,560</b>	<b>78,403</b>
<b>B : Sundry Debtors (Unsecured and Considered Good)</b>		
More than Six Months	5,573	5,569
<b>Total</b>	<b>5,573</b>	<b>5,569</b>
<b>C : Cash and Bank Balances</b>		
Cash on Hand	5	12
Balances with Scheduled Banks		
- in Current Accounts	95	58
<b>Total</b>	<b>100</b>	<b>70</b>
<b>D. Other Current Assets</b>		
	66,600	66,600
<b>Total</b>	<b>66,600</b>	<b>66,600</b>
<b>E : Loans and Advances</b>		
Staff Advances And Employee Loans	130	129
Deposits With Government Bodies & Others	3,536	4,586
TDS and Advance Income Tax	774	732
Other Advances & Deposits	23,228	23,145
<b>Total</b>	<b>27,668</b>	<b>28,592</b>
<b>Total</b>	<b>167,503</b>	<b>179,234</b>

(Formerly SHRI SHAKTI LPG LTD.)

	31.03.2011 ₹ in '000s	31.03.2010 ₹ in '000s
<b>Schedule VII: Current Liabilities &amp; Provisions</b>		
<b>Sundry Creditors:</b>		
For Supplies	3,616	891
For Expenses	12,653	13,027
Others	30,102	26,552
<b>Total</b>	<b>46,371</b>	<b>40,470</b>
<b>Schedule VIII: Sales</b>		
Sales of Packed LPG	379	482
Sales of Auto Kits	0	60
<b>Total</b>	<b>379</b>	<b>542</b>
<b>Schedule IX: Other Income</b>		
Amounts Written Back	45,000	76,808
Bottling Charges	2,331	322
Sale of Cylinders	4,025	712
Other Miscellaneous Income	33	43
<b>Total</b>	<b>51,389</b>	<b>77,885</b>
<b>Schedules X : Materials</b>		
Opening Stock	299	329
Purchases	334	448
Less : Closing Stock	293	299
<b>Consumption</b>	<b>340</b>	<b>478</b>
<b>Schedule XI : Personnel</b>		
Salaries and Wages	1,937	15
Contribution to Provident Fund & ESI	109	96
Director's Remuneration	576	576
<b>Total</b>	<b>2,622</b>	<b>687</b>

(Formerly SHRI SHAKTI LPG LTD.)

	31.03.2011 ₹ in '000s	31.03.2010 ₹ in '000s
<b>Schedule XII : Expenses</b>		
Conveyance	35	13
Directors Travelling	162	0
Postage Telegrams & Telephones	407	12
Travelling Expenses	317	16
Electricity	492	487
Bank Charges	472	38
Insurance	125	12
Vehicle Maintenance	46	3
Plant Maintenance	238	107
Sales Tax	324	22
Selling Expenses	170	130
Rates and Taxes	968	218
Security Charges	920	738
Legal Expenses	144	170
Professional Consultancy	471	715
AGM Expenses	327	166
Auditors Remuneration:		
Audit Fee	60	60
Tax Audit Fee	15	15
Service Tax	218	16
Gratuity	0	12
Listing Fee	1,997	58
Office Maintenance	366	10
Miscellaneous Expenses	1,091	21
<b>Total</b>	<b>9,365</b>	<b>3,039</b>
<b>Schedule XIII : Increase / (Decrease) In</b>		
<b>Stock Of Finished Goods</b>		
Closing Stock Of Filled Cylinders/ Full Kits	161	161
Opening Stock Of Filled Cylinders/ Full Kits	161	211
<b>Total</b>	<b>0</b>	<b>-50</b>

## NOTES ON ACCOUNTS SCHEDULE - XIV

### 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.

(Formerly SHRI SHAKTI LPG LTD.)

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

	( ₹ in '000s)	
	As on 31.03.2011	As on 31.03.2010
i) Claims not acknowledged as debts	668	668
ii) Differential Customs Duties demanded by Customs authorities pending in Appeals	26,915	26,915
2. 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.		
3. The accounts of the company were originally adopted by the Board of Directors on 12.05.2011. Thereafter the accounts of the company are revised to take effect of the order of the Hon'ble High Court of AP approving reduction of Share Capital with effect from 01.10.2010 vide order CP 124/2011 dtd 03.08.2011 (Refer to Schedule I & II of Balance Sheet for the Revisions effected.)		
4. As per the Special Resolution passed at the AGM held on 30.09.2010 and approved by the order of the Hon'ble High Court of AP and the Bombay Stock Exchange Ltd., the present Issued and Paid up Capital of the Company is reduced by ₹ 211,536 thousands by suitably reducing the Paid Up Capital value of each Equity Share of ₹ 2/- per share such that the Paid up Equity Share Capital after such reduction is ₹ 317,304/- thousands divided into 15,35,35,800 Equity Shares of ₹ 2/- each fully paid up aggregating to ₹ 307,072 thousands and 68,21,400 Equity Shares partly paid up to the extent of ₹ 1.50/- aggregating to ₹ 10,232 thousands.		
5. Balances standing to the debit/credit of parties are subject to confirmation by them and review by the Company.		
6. "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.		
7. 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".		
8. Keeping in view of the huge carried forward losses, the Company, as a matter of prudence, did not recognize deferred tax assets.		
9. "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.		
10. 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.)

11. Quantitative details and value of consumption of materials, opening and closing stock.						
	2010-11			2009-10		
	KKD	HYD	B'LORE	KKD	HYD	B'LORE
i. Annual Installed Capacity (MT)	45000	20000	12000	45000	20000	12000
ii. Production (MT)	-	0	5.322	-	0	11.275
iii. Capacity Utilisation Bottling of LPG (MT)%	-	0	0.0440	-	0	0.0940
	2010-11		2009-10			
	Qty. MT	Value ( ₹ '000)	Qty. MT	Value ( ₹ '000)		
iv. Opening Stock of LPG	0	0	0.221	8		
v. Closing Stock	0	0	0	0		
vi. Turnover : Bottled LPG	5.322	284	11.496	480		
	2010-11		2009-10			
	Qty. MT	Value ( ₹ '000)	Qty. MT	Value ( ₹ '000)		
vii. Auto Conversion Kits						
- Closing Stock of Kits	23	161	23	161		
- Kits Turnover	0	0	6	61		
12. MANAGERIAL REMUNERATION ( ₹ 'in lacs)						
	2010-11		2009-10			
	Salary ( ₹ '000)	Perks ( ₹ '000)	Salary ( ₹ '000)	Perks ( ₹ '000)		
Managing Director	576	90	576	90		

(Formerly SHRI SHAKTI LPG LTD.)

13. Segment information for the year ended 31<sup>st</sup> March 2011

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

	Liquified Petroleum Gas		Auto Conversion Kits		Total	
	2011	2010	2011	2010	2011	2010
<b>Revenue</b>						
External	379	481	0	60	379	542
Intra segment	0	0	0	0	0	0
<b>Total Revenue</b>	<b>379</b>	<b>481</b>	<b>0</b>	<b>60</b>	<b>379</b>	<b>542</b>
<b>Result</b>						
Segment result	(11,948)	(3,631)	0	(31)	(11,948)	(3,662)
Unallocated expenditure net of unallocated income	0	0	0	0	0	0
Interest expenses	0	(721)	0	0	0	(721)
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	9,347	20,872	0	(31)	9,347	20,841
Exceptional items	0	0	0	0	0	0
<b>Net Profit</b>	<b>9,347</b>	<b>20,872</b>	<b>0</b>	<b>(31)</b>	<b>9,347</b>	<b>20,841</b>
<b>Other information</b>						
Segment assets	476,399	518,191	447	447	476,846	518,638
Segment liabilities	101,551	156,291	1,244	1,244	102,795	153,935
Capital expenditure	0	0	0	0	0	0
Depreciation	29,076	29,105	1,017	1,017	30,093	30,122
Non-cash expenses other than depreciation	0	25,500	0	0	0	25,500

## (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.)

14. **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

Mr.D.V.Satyakumar

Mr.D.V.Rajashekar

Sitting fee of ₹ 0.72 Thousands (Previous Year - ₹ 0.43 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 ₹ 73 thousands (previous year ₹ 119 thousands) with the above related parties.

15. 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.

16. Amounts have been rounded off to the nearest thousands.

For and on behalf of the Board of Directors

Place : Hyderabad  
Date : 03.09.2011

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

Sd/-  
**B.K.SINHA**  
Director

Sd/-  
**V.SUBRAHMANYAM**  
Director

**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. 0 0 0 0 0 0 2 9 0 1

(ITC Code)

Product Description LIQUIFIED PETROLEUM GAS

Item Code No. 0 0 0 0 0 0 8 4 1 0

(ITC Code)

Product Description LPG CYLINDERS

Item Code No. 0 0 0 0 0 0 8 4 1 0

(ITC Code)

Product Description LPG REGULATORS

For and on behalf of the Board

Place : Hyderabad  
Date : 03.09.2011Sd/-  
D. V. MANOHAR  
Chairman &  
Managing DirectorSd/-  
B.K.SINHA  
DirectorSd/-  
V.SUBRAHMANYAM  
Director

(Formerly SHRI SHAKTI LPG LTD.)

**CASH FLOW STATEMENT OF SHRI MATRE POWER & INFRASTRUCTURE LIMITED AS AT 31ST MARCH, 2011**

	YEAR ENDED 31.03.11	YEAR ENDED 31.03.10
	₹ in '000s	₹ in '000s
<b>:A. Cash Flow From Operating Activities</b>		
Profit Before Tax And Extraordinary Items	9,347	20,841
Adjustments For:		
Depreciation	30,093	30,122
Foregin Exchange	0	0
Investments	0	0
Interest / Dividend	0	721
	<u>30,093</u>	<u>30843</u>
<b>Operating Profit Before Working Capital Changes</b>	39,440	51684
Adjustments For :		
Trade And Other Receivables	919	-232
Inventories	10,843	387
Trade Payables	5,901	-23,333
	<u>17,663</u>	<u>-23178</u>
<b>Cash Generated From Operations</b>	57,103	28506
Interest	0	721
	0	721
<b>Cash Flow Before Extra Ordinary Items</b>	57,103	27,785
<b>Extra Ordinary Items</b>		
Fringe Benefit Tax	0	0
Public Issue Expenses (Prior Period)		-25,500
Expenditure Pertaining to Previous Year	0	0
	<u>0</u>	<u>-25,500</u>
<b>Net Cash From Operating Activities</b>	57,103	53,285
<b>B. Cash Flow From Investing Activities</b>		
Purchase / Reduction of Fixed Assets	-33	-387
Sales of Fixed Assets	0	35,374
	<u>-33</u>	<u>34,987</u>
<b>Net Cash Used In Investing Activities</b>	57,070	88,272
<b>C. Cash Flow From Financing</b>		
Repayment of Finance Lease Liabilities	-57,041	-101,660
Share Capital (Calls in Arrears)	0	13,374
	<u>0</u>	<u>13,374</u>
<b>Net Cash Used In Financing Activities</b>	- 57,041	-88,286
<b>Net Increase In Cash And Cash Equivalents</b>	29	-14
Cash And Cash Equivalent As At 1.4.10	71	85
Cash And Cash Equivalent As At 31.3.11	100	71
		-14

For and on behalf of the Board of Directors

Place : Hyderabad  
Date : 03.09.2011Sd/-  
D.V.Manohar  
Chairman & Managing DirectorSd/-  
B.K.Sinha  
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 31.03.2011 and 31.03.2010. 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 : 03.09.2011

(Formerly SHRI SHAKTI LPG LTD.)

**CONSOLIDATED BALANCE SHEET OF SHRI MATRE POWER & INFRASTRUCTURE LIMITED AND  
ITS SUBSIDIARY AS AT 31ST MARCH, 2011**

	SCH	As At 31.03.2011 ₹ in '000s	As At 31.03.2010 ₹ in '000s
<b>Source Of Funds</b>			
Share Holders Funds			
Share Capital	I	317,304	528,840
Reserves & Surplus	II	69,496	261,021
		<u>386,800</u>	<u>789,861</u>
<b>Loan Funds</b>			
Unsecured Loans	III	69,612	126,652
		<u>69,612</u>	<u>126,652</u>
<b>Total</b>		<u>456,412</u>	<u>916,513</u>
<b>Application Of Funds</b>			
<b>Fixed Assets</b>			
<b>Gross Block</b>			
	IV	1,140,492	1,140,458
Less :Depreciation		826,850	796,181
<b>Net Block</b>		<u>313,642</u>	<u>344,277</u>
Goodwill		7,040	7,040
Capital Work In Progress		14,165	14,165
<b>Total</b>		<u>334,847</u>	<u>365,482</u>
<b>Current Assets Loans &amp; Advances</b>			
Current Assets			
A. Inventories		67,640	80,423
B. Receivables		6,865	7,060
C. Cash And Bank Balances		162	86
D. Other Current Assets		66,600	66,600
E. Loans And Advances		28,063	29,016
		<u>169,330</u>	<u>183,185</u>
Current Liabilities And Provisions	VI	53,102	48,542
Net Current Assets		116,227	134,643
<b>Profit &amp; Loss Account (Per Annexed A/c.)</b>		<u>5,338</u>	<u>416,388</u>
<b>Total</b>		<u>456,412</u>	<u>916,513</u>
<b>Notes Forming Part Of Accounts</b>			
	XIII		

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/-  
B.K.Sinha  
Director

Sd/-  
V.Subrahmanyam  
Director

Place : Hyderabad  
Date : 03.09.2011

(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, 2011**

	SCH	YEAR ENDED 31.03.2011 ₹ in '000s	YEAR ENDED 31.03.2010 ₹ in '000s
<b>Income</b>			
Sales	VII	379	542
Other Income	VIII	56,223	84,883
Profit on Sale of Assets		0	3,011
Increase /(Decrease) In Stocks	XII	0	-50
<b>Total</b>		<b>56,602</b>	<b>88,386</b>
<b>Expenditure</b>			
Materials	IX	2,280	478
Personnel	X	3,971	2,994
Expenses	XI	11,693	6,510
Interest		0	721
Preliminary & Other Exps W/Off		0	25,500
Depreciation	IV	30,668	30,697
<b>Total</b>		<b>48,612</b>	<b>66,900</b>
Profit Before Prior Period Items		7,990	21,486
Profit Before Provision For Tax		7,990	21,486
Provision for MAT		0	100
Net Profit /(Loss) After Tax		-1,357	21,386
Add: Balance Brought Forward		-3,981	-437,774
Balance Carried To Balance Sheet		<b>-5,338</b>	<b>-416,388</b>
<b>Notes Forming Part Of Accounts</b>	<b>XIII</b>		

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/-  
B.K.Sinha  
Director

Sd/-  
V.Subrahmanyam  
Director

Place : Hyderabad

Date : 03.09.2011



(Formerly SHRI SHAKTI LPG LTD.)

	31.03.2011 ₹ in '000s	31.03.2010 ₹ in '000s
<b>Schedule I</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised :</b>		
60,000,000 EQUITY SHARES OF ₹ 10/- EACH (March 31, 2010, 60,000,000 Equity Shares of ₹ 10/- each)	600,000	600,000
<b>Issued:</b>		
58,000,000 Equity Shares of ₹ 10/- each (March 31, 2010, 58,000,000 Equity Shares of ₹ 10/- each)	580,000	580,000
<b>Paid Up</b>		
16,03,57,200 Equity Shares of ₹ 2/- each (March 31, 2010, 5,11,78,600 Equity Shares of ₹ 10/- each)	320,714	580,000
Less: Calls In Arrears 68,21,400 Partly Paid shares to the extent of ₹ 0.50 per share ((Previous year 68,21,400 to the extent of ₹ 7.50 per share)	3,410	51,160
<b>Total</b>	<b>317,304</b>	<b>528,840</b>
<b>Schedule II : Reserves &amp; Surplus</b>		
<b>As on 01-04-2010</b>		
<b>Capital Reserve</b>		
Investment Subsidy	4,500	4,500
<b>Revaluation Reserve</b>		
As per last year Balance Sheet	33,167	33,167
<b>General Reserve</b>		
As per Last year Balance Sheet	223,354	223,354
Less : Transferred to Profit & Loss a/c	200,872	0
Add : Reserves on Calls in Arrears	47,749	0
Sub Total	70,231	223,354
Less : Arrears on Calls	47,749	0
	22,482	223,354
Add : Profit & Loss Account as per annexed	9,347	0
	31,829	223,354
<b>Total</b>	<b>69,496</b>	<b>261,021</b>
<b>Schedule III : Unsecured Loans</b>		
Deferred Sales Tax From State Govt. Of A.P.	28,367	28,367
Security Deposit From Dealers	28,058	85,098
Additional Security Deposit	2,380	2,380
Cylinder Floor Stock	3,951	3,951
Dealer Deposit	3,248	3,248
S.V. Deposit - Cylinders & Regulators	3,608	3,608
<b>Total</b>	<b>69,612</b>	<b>126,652</b>

**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		
	AS AT 01.04.2010	ADDITIONS	DELETIONS/ ADJUSTMENTS	AS AT 31.03.2011	AS AT 01.04.2010	FOR THE PERIOD	DELETIONS/ ADJUSTMENTS	UPTO 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
LAND	53,061	0	0	53,061	0	0	0	0	53,061	53,061
LAND/DEVELOPMENT	0	0	0	0	0	0	0	0	0	0
BUILDINGS-FACTORY	24,543	0	0	24,543	11,789	820	0	12,609	11,934	12,754
BUILDINGS-OTHERS	22,169	0	0	22,169	5,211	361	0	5,572	16,597	16,959
PLANT & MACHINERY	584,717	25	0	584,742	329,224	27,775	0	357,000	227,742	255,493
VEHICLES	1,460	0	0	1,460	1,446	0	0	1,446	14	14
OFFICE EQUIPMENTS	2,238	8	0	2,246	1,517	91	0	1,608	637	721
COMPUTERS	3,771	0	0	3,771	3,756	8	0	3,764	7	14
OTHER EQUIPMENTS	243	0	0	243	180	12	0	192	51	63
MISCELLANEOUS ASSETS	3,087	0	0	3,087	2,237	146	0	2,383	704	850
CYLINDERS	355,383	0	0	355,383	355,360	10	0	355,370	13	23
REGULATORS	72,933	0	0	72,933	72,927	6	0	72,933	0	6
FURNITURE & FIXTURES	6,680	0	0	6,680	5,616	422	0	6,038	642	1,064
TECHNICAL KNOW-HOW	10,173	0	0	10,173	6,917	1,018	0	7,935	2,238	3,256
<b>TOTAL</b>	<b>1,140,458</b>	<b>33</b>	<b>0</b>	<b>1,140,491</b>	<b>796,181</b>	<b>30,668</b>	<b>0</b>	<b>826,850</b>	<b>327,807</b>	<b>344,277</b>
<b>PREVIOUS YEAR</b>	<b>1,175,575</b>	<b>387</b>	<b>35,504</b>	<b>1,140,458</b>	<b>765,614</b>	<b>30,697</b>	<b>131</b>	<b>796,181</b>	<b>344,277</b>	<b>409,961</b>

(Formerly SHRI SHAKTI LPG LTD.)

	31.03.2011 ₹ in '000s	31.03.2010 ₹ in '000s
<b>Schedule V : Current Assets, Loans &amp; Advances</b>		
<b>A. Inventories</b>		
Stores and Spares	67,479	80,262
Finished Goods	161	161
<b>Total</b>	<b>67,640</b>	<b>80,423</b>
<b>B.Sundry Debtors (Unsecured and Considered good)</b>		
More than Six Months	6,865	7,060
<b>Total</b>	<b>6,865</b>	<b>7,060</b>
<b>C.Cash And Bank Balances</b>		
Cash On Hand	5	28
Balances With Scheduled Banks -In Current Accounts	157	58
<b>Total</b>	<b>162</b>	<b>86</b>
<b>D.Others Current Assets</b>		
	<b>66,600</b>	<b>66,600</b>
<b>E.Loans And Advances</b>		
Staff Advances And Employee Loans	139	143
Deposits With Government Bodies & Others	3,850	4,925
Other Advcances & Deposits	24,074	23,948
<b>Total</b>	<b>28,063</b>	<b>29,016</b>
	<b>169,330</b>	<b>183,185</b>
<b>Schedule VI Current Liabilities &amp; Provisions</b>		
<b>Sundry Creditors :</b>		
For Supplies	8,770	6,979
For Expenses	12,980	13,762
Others	31,352	27,802
<b>Total</b>	<b>53,102</b>	<b>48,542</b>
<b>Schedule VII : Sales</b>		
Sales of Packed LPG	379	482
Sales of Auto Kits	0	60
<b>Total</b>	<b>379</b>	<b>542</b>
<b>Schedule VIII : Other Income</b>		
Amounts Written Back	45,000	76,808
Bottling Charges	7,165	6,211
Other Miscellaneous Income	4,057	1,864
<b>Total</b>	<b>56,222</b>	<b>84,883</b>

(Formerly SHRI SHAKTI LPG LTD.)

	31.03.2011 ₹ in '000s	31.03.2010 ₹ in '000s
<b>Schedule IX : Materials</b>		
Opening Stock	299	329
Purchases	334	448
Less: Closing Stock	293	299
<b>Consumption</b>	<b>340</b>	<b>478</b>
<b>Schedule X : Personnel</b>		
Salaries And Wages	3,285	2,323
Contribution to Provident Fund & ESI	109	95
Director's Remuneration	576	576
<b>Total</b>	<b>3,970</b>	<b>2,994</b>
<b>Schedule XI : Expenses</b>		
Conveyance	83	150
Directors Travelling	162	0
Postage Telegram & Telephones	431	178
Travelling Exp - Others	317	311
Electricity	1,118	1,158
Bank Charges	472	38
Insurance	131	17
Vehicle Maintenance	46	33
Plant Maintenance	495	107
Sales Tax	324	22
Selling Expenses	170	130
Rates & Taxes	1,059	284
Security Charges	920	738
Legal Expenses	144	170
Professional & Consultancy	471	715
AGM Expenses	327	166
<b>Auditors Remuneration :</b>		
Audit Fee	80	80
Tax Audit Fee	25	25
Service Tax	227	16
Gratuity	0	12
Listing Fee	1,997	58
Office Maintenance	505	424
Miscellaneous Expenses	2,189	1,678
<b>Total</b>	<b>11,693</b>	<b>6,510</b>
<b>Schedule XII : Increase / (Decrease) In Stock Of Finished Goods</b>		
Closing Stock of Filled Cylinders/ Full Kits	161	161
Opening Stock of Filled Cylinders/ Full Kits	161	211
<b>Total</b>	<b>0</b>	<b>-50</b>

## CONSOLIDATED NOTES ON ACCOUNTS SCHEDULE - XIII

### 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 & Infrastructure 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. 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 beginning of 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.

(Formerly SHRI SHAKTI LPG LTD.)

**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.

**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 31.03.2011	As on 31.03.2010
i) Claims not acknowledged as debts	668	668
ii) Differential Customs Duties demanded by Customs authorities pending in Appeals	26,915	26,915

2. 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.

3. The accounts of the company were originally adopted by the Board of Directors on 12.05.2011. Thereafter the accounts of the company are revised to take effect of the order of the Hon'ble High Court of AP approving reduction of Share Capital with effect from 01.10.2010 vide order CP 124/2011 dtd 03.08.2011 (Refer to schedule I & II of Balance Sheet for the Revisions effected.)
4. As per the Special Resolution passed at the AGM held on 30.09.2010 and approved by the order of the Hon'ble High Court of AP and the Bombay Stock Exchange Ltd., the present Issued and Paid up Capital of the Company is reduced by ₹ 211,536 thousands by suitably reducing the Paid up Capital value of each Equity Share of ₹ 2/- per share such that the Paid up Equity Share Capital after such reduction is ₹ 317,304/- thousands divided into 15,35,35,800 Equity Shares of ₹ 2/- each fully paid up aggregating to ₹ 307,072 thousands and 68,21,400 Equity Shares partly paid up to the extent of ₹ 1.50/- aggregating to ₹ 10,232 thousands.
5. Balances standing to the debit/credit of parties are subject to confirmation by them and review by the Company.
6. "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.
7. 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".
8. Keeping in view of the huge carried forward losses, the Company, as a matter of prudence, did not recognize deferred tax assets.
9. "Investments" (Schedule VI) of the Company are long-term investments. Hence, no provision is made for diminution in the value of Investments in Asia LPG Private Limited as it is temporary.
10. 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.)

11. Quantitative details and value of consumption of materials, opening and closing stock.						
	2010-11			2009-10		
	KKD	HYD	B'LORE	KKD	HYD	B'LORE
i. Annual Installed Capacity (MT)	45000	20000	12000	45000	20000	12000
ii. Production (MT)	-	0	5.322	-	0	11.275
iii. Capacity Utilisation Bottling of LPG (MT)%	-	0	0.0440	-	0	0.0940
	2010-11		2009-10			
	Qty. MT	Value ( ₹ '000)	Qty. MT	Value ( ₹ '000)		
iv. Opening Stock of LPG	0	0	0.221	8		
v. Closing Stock	0	0	0	0		
vi. Turnover : Bottled LPG	5.322	284	11.496	480		
	2010-11		2009-10			
	Qty. No.s	Value ( ₹ '000)	Qty. No.s	Value ( ₹ '000)		
vii. Auto Conversion Kits						
- Closing Stock of Kits	23	161	23	161		
- Kits Turnover	0	0	6	61		
12. MANAGERIAL REMUNERATION ( ₹ 'in lacs)						
	2010-11		2009-10			
	Salary ( ₹ '000)	Perks ( ₹ '000)	Salary ( ₹ '000)	Perks ( ₹ '000)		
Managing Director	576	90	576	90		



(Formerly SHRI SHAKTI LPG LTD.)

13. Consolidated Segment information for the year ended 31<sup>st</sup> March 2011

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

	Liquified Petroleum Gas		Auto Conversion Kits		Total	
	2011	2010	2011	2010	2011	2010
<b>Revenue</b>						
External	379	481	0	60	379	542
Inter segment	0	0	0	0	0	0
<b>Total Revenue</b>	<b>379</b>	<b>481</b>	<b>0</b>	<b>60</b>	<b>379</b>	<b>542</b>
<b>Result</b>						
Segment result	-17,564	-9,408	0	-31	-17,564	-9,439
Unallocated expenditure net of unallocated income	0	0	0	0	0	0
Interest expenses	0	-721	0	0	0	-721
Interest income	0	0	0	0	0	0
Provision for FBT	0	524	0	0	0	524
Profit/(loss) after taxation and before exceptional items	-1,357	21,417	0	-31	-1,357	21,386
Exceptional items	0	0	0	0	0	0
<b>Net Profit</b>	<b>-1,357</b>	<b>21,417</b>	<b>0</b>	<b>-31</b>	<b>-1,357</b>	<b>21,386</b>
<b>Other information</b>						
Segment assets	503,729	548,667	447	447	504,176	549,114
Segment liabilities	121,470	173,950	1,244	1,244	122,714	175,194
Capital expenditure	0	0	0	0	0	0
Depreciation	29,651	29,680	1,017	1,017	30,668	30,697
Non-cash expenses other than depreciation	0	25,500	0	0	0	25,500

## (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.)

14. **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

Mr.D.V.Satyakumar

Mr.D.V.Rajashekar

Sitting fee of ₹ 0.72 Thousands (Previous Year - ₹ 0.43 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 ₹ 73 thousands (previous year ₹ 119 thousands) with the above related parties.

15. 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.

16. Amounts have been rounded off to the nearest thousands.

**For and on behalf of the Board of Directors**

Place : Hyderabad  
Date : 03.09.2011

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

Sd/-  
**B.K.SINHA**  
Director

Sd/-  
**V.SUBRAHMANYAM**  
Director

(Formerly SHRI SHAKTI LPG LTD.)

## CONSOLIDATED CASH FLOW STATEMENT OF SHRI MATRE POWER &amp; INFRASTRUCTURE LIMITED AS AT 31ST MARCH, 2011

	YEAR ENDED 31.03.11 ₹ in '000s	YEAR ENDED 31.03.10 ₹ in '000s
<b>:A. Cash Flow From Operating Activities</b>		
Profit Before Tax And Extraordinary Items		21,387
Adjustments For:	7,990	
Depreciation	30,668	30,697
Foregin Exchange	0	0
Investments	0	0
Interest / Dividend	0	721
	<u>30,668</u>	<u>31,418</u>
<b>Operating Profit Before Working Capital Changes</b>	<b>38,658</b>	<b>52,805</b>
<b>Adjustments For :</b>		
Trade And Other Receivables	1,212	-723
Inventories	12,783	927
Trade Payables	4,496	87
	<u>18,491</u>	<u>291</u>
<b>Cash Generated From Operations</b>	<b>57,149</b>	<b>53,096</b>
Interest	0	721
	<u>0</u>	<u>721</u>
<b>Cash Flow Before Extra Ordinary Items</b>	<b>57,149</b>	<b>52,375</b>
<b>Extra Ordinary Items</b>		
Public Issue Expenses (Prior Period)	0	-25,499
Expenditure Pertaining to Previous Year	0	0
	<u>0</u>	<u>25,499</u>
<b>Net Cash From Operating Activities</b>	<b>57,149</b>	<b>77,874</b>
<b>B. Cash Flow From Investing Activities</b>		
Sales of Fixed Assets	-33	-387
Sale of Investments	0	35,374
	<u>-33</u>	<u>34,987</u>
<b>Net Cash Used In Investing Activities</b>	<b>57,116</b>	<b>1,12,861</b>
Proceeds From Long- Term Borrowings	-57,040	-112,860
Share Capital (Calls in Arrears)	0	0
	<u>0</u>	<u>0</u>
<b>Net Cash Used In Financing Activities</b>	<b>- 57,040</b>	<b>-112,860</b>
<b>Net Increase In Cash And Cash Equivalents</b>		
Cash And Cash Equivalent As At 1.4.09	87	87
Cash And Cash Equivalent As At 31.3.10	162	86
	<u>-76</u>	<u>0</u>
		<u>-1</u>

For and on behalf of the Board of Directors

Place : Hyderabad  
Date : 03.09.2011Sd/-  
D.V.Manohar  
Chairman & Managing DirectorSd/-  
B.K.Sinha  
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 31.03.2011 and 31.03.2010. 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 :03.09.2011Sd/-  
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	:	31.03.2011
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	:	(-) 1,357,323
For the Previous Financial Year since it became Subsidiary	:	(+) 546,491

For and on behalf of the Board

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

Sd/-  
D. V. Satya Kumar  
Director