

(Formerly SHRI SHAKTI LPG LTD.)

SHRI MATRE POWER AND INFRASTRUCTURE LIMITED

(Formerly SHRI SHAKTI LPG LIMITED)

To,

Dated: 29.08.2013

ALL THE MEMBERS

Dear Esteemed Shareholder,

Sub : Reduction and Sub-division of Share Capital of SHRI MATRE POWER & INFRASTRUCTURE LIMITED

In pursuance to Reduction of Share Capital sanctioned by *Hon'ble High Court of Andhra Pradesh Order vide CP No 124 of 2011 dated 03.08.2011*, W.E.F 01.10.2010, the paid up Share Capital of our Company is reduced by 40% and Listing Application for Listing of New Shares are being filed with Stock Exchanges concerned. Accordingly, the Face Value of each Equity Share is reduced from Rs 10/- to Rs 6/-. This amount of Rs 6/- is further sub-divided into 3 Equity Shares of Face Value of Rs 2/- each.

To illustrate further : A person holding 100 fully Paid up Equity Shares of Face Value Rs 10/- each as on 30th September, 2010, after reduction he will hold 300 Equity Shares at a Face Value of Rs 2/- each as on the day of Record Date i.e., 26-09-2013 & 27-09-2013.

Our Company's shares are admitted into CDSL/NSDL. As part of security measures for holding shares in electronic mode instead of physical mode, you are advised to demat your shares immediately (if you are still holding shares in physical form) with the old certificates and intimate us your demat account number to enable us to issue sub divided shares in electronic mode. This will not only help our Company in servicing you faster but also helps in reducing the cost of printing of new share certificates and postage considerably. However, if any Member is particular about holding his/her shares in physical form only, they are requested to forward their old share certificates to our Registrar & Share Transfer Agents M/s. XL Softech System Ltd, 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500034, to enable us to issue new sub divided share certificates to them duly cancelling the old one(s) in view of reduction and sub division as stated above.

Any clarifications or queries in connection with the above may be addressed to our Company's Registrar and Share Transfer Agent : M/s. XL Softech System Ltd, 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500034; Tel : 91-040-23545913 / 14 / 15 Fax : 91-040-23553214; E-Mail : xlfield@gmail.com, by quoting your Regd.Folio Number.

You're also requested to inform your email, mobile numbers and Identification Particulars i.e, Copy of Permanent Account Number (PAN) and proof of Residential Address, to update our master, if you have not submitted them earlier to us.

Thanking you,

Yours faithfully,

For SHRI MATRE POWER AND INFRASTRUCTURE LIMITED

Sd/-

D.V. Manohar

Chairman & Managing Director

Encl : As above

Registered & Corporate Office:

Venus Plaza, Begumpet, Hyderabad – 500 016, INDIA.

Tel : ++91-40-2790 2929, Fax : ++91-40-27908989

Website : www.shrishakti.comE-mail: info@shrishakti.com

GREEN INITIATIVE IN CORPORATE GOVERNANCE: GO PAPERLESS

The Ministry of Corporate Affairs has come up with a Green Initiative of permitting the service of documents including Annual Reports to the Shareholders through e-mail or other permissible electronic modes instead of physical mode vide its Circular No 17/2011 dated 21st April, 2011. To support this green initiative, members who have not registered their e-mail addresses so far are requested to register their e-mail addresses, in respect of electronic holdings with the Depository NSDL/CDSL through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the appropriate column in the members e-mail registration form and register the same with M/s. XL Softech System Ltd.

Members e-mail Registration Form

Name :Telephone No.....

E-mail :

Address :

.....

.....

DP ID : Client ID :

Folio No :

(in case of physical holding)

No of Equity shares held :



Signature

Members are requested to send this e-mail registration form to the Company's Registrar and Transfer Agents i.e., M/s. XL Softech System Ltd at the below mentioned address.

M/s. XL Softech System Ltd
3, Sagar Society, Road No.2, Banjara Hills,
Hyderabad – 500034.
Tel : 91-40-23545913 / 14 /15
Fax : 91-40-23553214

(Formerly SHRI SHAKTI LPG LTD.)

BOARD OF DIRECTORS	Mr. D.V. Manohar	Chairman & Managing Director
	Mr.B.K.Bakhshi	Director
	Mr.B.K.Sinha	Director
	Mr.R.Prabhakar Rao	Director
	Dr.A.Balasetti	Director
	Dr.Bharat H. Barai	Director
	Dr.Gorantla Govindaiah	Director
	Mr.V.Subrahmanyam	Director
COMPANY SECRETARY	Mrs.T. Lalitha Devi	
AUDITORS	M/s. Venugopal & Chenoy Chartered Accountants Hyderabad.	
BANKERS	Allahabad Bank	
REGISTRARS & SHARE TRANSFER AGENTS	M/s. XL Softech Systems Ltd 3, Sagar Society Road No.2, Banjara Hills, Hyderabad - 500034 Tel : 91-40-23545913/14/15 Fax : 91-40-23553214	
REGISTERED OFFICE	Venus Plaza Adjacent to old Airport, Begumpet, Hyderabad - 500016. Tel : 91-40-27902929 Fax: 91-40-27908989	
PLANTS	(1)	Beach Road, Nemam Village, Kakinada - 533005 (A.P)
	(2)	Near Railway Station, Bibinagar, Nalgonda District (A.P)

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD ON FRIDAY, THE 27TH SEPTEMBER 2013 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, 2013.
2. 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.
3. 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.
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 Annual General 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 the following resolution with or without modifications as ordinary resolution :

“Resolved that Sri Virthal Abburi who was appointed as Additional Director on the Board during the year and who holds office upto this date of Annual General Meeting and in respect of whom the company has received a notice in writing pursuant to section 257 of the Companies Act, 1956 from a member proposing his candidature for the office Director, be and is hereby appointed as Directors by rotation as provided under Article under 105 of Articles of Association of the Company”.

By Order of the Board

Sd/-

PLACE : HYDERABAD
DATE : 29.08.2013

CS Lalitha Devi T.
Company Secretary

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 26-09-2013 to 27-09-2013 (both days inclusive) for the purpose of Annual General Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956, IN RESPECT OF THE SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE 20TH ANNUAL GENERAL MEETING.

Item No. 6

Shri Vitthal Abburi has been appointed as an Additional Director on the Board pursuant to section 260 of the Companies Act, 1956. The Company has received a notice from a member under section 257 of the Companies Act, 1956 proposing his candidature for the office of Director liable to retire by rotation. Shri Vitthal Abburi is a Chartered Accountant and Company Secretary. He retired as Executive Director and Company Secretary of Dharti Dredging and Infrastructure Ltd.(the company with Annual Turnover of over Rs.400 crores). He is a well experienced Board level Executive having rich experience in various fields including Finance and Corporate strategy. Keeping his rich experience in view, it is proposed to appoint him as Director liable to retire by rotation. Hence this resolution is proposed.

No Director is interested in this resolution except Shri Vitthal Abburi.

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, 2013.

2. FINANCIAL PERFORMANCE

The Financial performance of the Company for the financial year 2012-13 is indicated below :
(₹ 000 Omitted)

Particulars	2012-13	2011-12
Gross Income	5651	36409
Less : Expenditure excluding Interest, Depreciation & prior period and Extraordinary items	7756	7733
Profit / (Loss) before Interest, Depreciation & prior period and Extraordinary items	-2105	28676
Interest	-	-
Profit / (Loss) before Depreciation	-2105	28676
Depreciation	30075	30085
Profit / (Loss) before prior period and Extraordinary items	-32180	-1409
Net Profit / (Loss) before provision for Taxation	-32180	-1409
Net Profit / (Loss)	-32180	-1409

During the year, the company incurred cash Loss of ₹ 2,105 thousands, (previous year Profit of ₹ 28,676 thousands). After providing for depreciation amounting to ₹ 30,075 thousands (previous year ₹ 30,085 thousands), the total loss for the year stood at ₹ 32,180 thousands (previous year loss of ₹ 1,409 thousands).

Future Outlook :

Your company is vigorously looking for oppoutunities in the Solar Power Generation field as well as in the infrastructure sector. Your company is participating in the various tenders for Solar Power Generation the latest being the tender issued by the Andhra Pradesh Government to set up Solar Power Projects in A.P. In the A.P. tender your company's bid was the best at the location Amangal, about 75 kms from Hyderabad, for 10 MW Solar Power Generation Plant, as per the tender norms.

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But the counter offer made by the AP Government is low and your company is in the process of analyzing the feasibility of accepting the above offer.

Your Company is also working on promoting a 10 MW Solar Power Generation Plant under the Renewable Energy Certificate (REC) route wherein the solar power produced will be supplied to the State Government at their scheduled rate which is very low and the balance is made up through the sale of RECs which your company would be earning.

Your Company was also geared up to participate in the tender floated by Rajasthan Renewable Energy Corporation Ltd (RRECL) but the same was postponed. Your Company tied-up with Sun Power Solar of USA for this project and would be bidding for this project along with them.

Your Company also is in the process of divesting its LPG assets so that it would be able to mobilize the required margin monies for its new projects.

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.

It is the earnest endeavor of your Directors to turn the company around at the earliest and make it profitable once again. Your Directors are putting in all out efforts and are leaving no stone unturned to achieve the same. Your Directors are optimistic that your Company would succeed in the Solar Power Project field soon.

3. DEPLOYMENT OF FUNDS :

	(₹ 000 Omitted)	
	31.03.2013	31.03.2012
Sources of Funds		
Share Holders Funds	350,712	382,891
Non-Current Liabilities	30,845	31,180
Current Liabilities	61,768	40,744
Total	443,325	454,815
Application of Funds		
Non-Current Assets	259,442	289,516
Long Term Loans and Advances	3,565	3,536
Other Non-Current Assets	91,234	90,745
Current Assets	89,084	71,018
Total	443,325	454,815

4. SUBSIDIARY COMPANY

Financial Results of your fully owned subsidiary Company viz. Asia LPG Pvt. Ltd. (ALPL) have been appended herewith. However our company has disinvested the entire shareholding in ALPL and accordingly ALPL ceased to be the subsidiary of SMPIL w.e.f. April 1st 2013.

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 31.03.2013.

6. DEPOSITS

Your Company has not accepted any Deposits during the year.

7. DIRECTORS

In term of Articles of Association of the Company, Dr. Gorantla Govindaiah, Mr.B.K.Sinha and Mr.V.Subrahmanyam, Directors retire by rotation at the ensuing Annual General Meeting and offered themselves for re-appointment. Sri A.P.Vitthal was inducted as an Additional Director of the Company and is being reappointed at the ensuing Annual General Meeting. Your Directors recommend their reappointment.

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 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) of 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, 2013, 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, 2013 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 : 29.08.2013

MANAGEMENT DISCUSSION AND ANALYSIS

SHRI SHAKTI LPG LTD (SSLPG) has been engaged in 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. 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