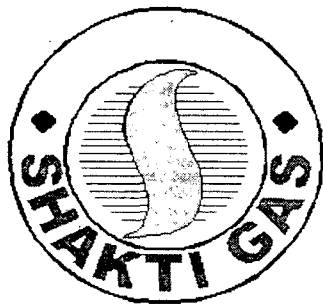


SHRI SHAKTI LPG LIMITED



16TH ANNUAL REPORT
2008-2009

BOARD OF DIRECTORS

Mr. D.V. Manohar

**Chairman &
Managing Director**

Mr.B.K.Bakhshi

Director

Mr.D.V.Satya Kumar

Director

Mr.D.V.Raja Sekhar

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

AUDITORS

M/s. Venugopal & Chenoy
Chartered Accountants
Hyderabad.

**COMPANY SECRETARY &
VICE- PRESIDENT (FINANCE)**

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) Nenam Village
Beach Road,
Kakinada - 533005 (A.P)
- (2) Bibinagar
Near Railway Station
Nalgonda District (A.P)

NOTICE

NOTICE IS HEREBY GIVEN THAT THE SIXTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD ON MONDAY, THE 31ST AUGUST, 2009 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, 2009.
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 Mr. R.Prabhakar Rao, who is retiring at this Annual General Meeting and being eligible, offers himself for re-appointment.
4. To resolve not to fill the vacancy being caused by the retirement of Mr.D.V.L.N.Murthy who is retiring at this Annual General Meeting and does not seek re-appointment.
5. To resolve not to fill the vacancy being caused by the retirement of Mr.S.Gopala Krishnan who is retiring at this Annual General Meeting and does not seek re-appointment.
6. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

7. To Consider and if thought fit to pass with or without any modification as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 & 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, approval of the members be and is hereby accorded for the reappointment of Mr. D.V. Manohar as Chairman and Managing Director for a further period of FIVE years from 25th July, 2009 to 24th July, 2014 on the existing terms and conditions of his earlier appointment.”

8. To Consider and if thought fit to pass with or without any modification the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. V.Subrahmanyam, who was appointed as an Additional Director of the Company and who holds office until the date of the Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956, proposing his candidature, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

By Order of the Board

PLACE : HYDERABAD.

DATE : 23-07-2009

D. V. MANOHAR

Chairman & Managing Director

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 30-08-2009 to 31-08-2009 (both days inclusive).

Explanatory Statement pursuant to Sec. 173(2) of the Companies Act, 1956 in respect of Special Business set out in the Notice convening the 16th Annual General Meeting

Item No.7 :

Mr. D. V. Manohar has been re-appointed as Managing Director of the Company from 25th July, 2004 for a period of 5 years in the scale of Rs.30,000 - 5,000 - 60,000, with other benefits as was given to him in his earlier appointment and approved by the Shareholders in the sixth and eleventh Annual General Meetings held on 28th September, 1999 and 30th September, 2004.

Mr. D. V. Manohar is the Founder Promoter Director of the Company and has contributed to the growth and development of the Company. In view of his dedicated services and in the interest of the Company, it is proposed to re-appoint Mr. D. V. Manohar as Managing Director of the Company for a further period of 5 years w.e.f. 25th July, 2009 on the existing terms & conditions of his earlier appointment.

Your Directors recommend the resolution for your approval.

None of the Directors is interested in the above resolution except Mr. D. V. Manohar, Mr. D. V. Satya Kumar and Mr. D. V. Rajasekhar.

Item No.8 :

Mr.V.Subrahmanyam was appointed as an Additional Director by the Board in its meeting held on 23rd July, 2009.

Mr.V.Subrahmanyam has worked as Deputy Director General at Ordinance Factory Board, Kolkatta. He is a postgraduate in Mechanical Engineering from IIT, Kanpur and also a Cost Accountant. He is Fellow member of three professional organisations viz. Institute of Engineers, Indian Institute of Industrial Engineering and Institute of Cost and Works Accountants of India. He has rich experience in Manufacturing Activities, Finance and Accounts and Management Accountancy.

The Board is of the opinion that his experience would be beneficial to the Company and recommends the resolution to the members for their approval. A notice under Section 257 of the Companies Act, 1956 has been received from a member proposing his candidature for office of Director.

None of the Directors other than Mr.V.Subrahmanyam is concerned or interested in the said resolution.

DIRECTORS' REPORT

To
The Shareholders,
Shri Shakti LPG Limited.

1. INTRODUCTION

Your Directors have pleasure in presenting their report together with audited accounts for the financial year ended 31st March, 2009.

2. FINANCIAL PERFORMANCE

The Financial performance of the Company for the year 2008-09 is indicated below :

Particulars	(Rs.000 Omitted)	
	2008-09	2007-08
Gross Income	19041	35551
Less : Expenditure excluding Interest, Depreciation & prior period and Extraordinary items	20547	37552
Profit / (Loss) before Interest, Depreciation & prior period and Extraordinary items	(1506)	(2001)
Interest	7500	9707
Profit / (Loss) before Depreciation	(9006)	(11708)
Depreciation	30283	31182
Profit / (Loss) before prior period and Extraordinary items	(39289)	(42890)
Prior period and Extraordinary items	0	0
Net Profit / (Loss) before provision for Taxation	(39289)	(42890)
Provision for Taxation	0	0
Net Profit / (Loss)	(39289)	(42890)

During the year, the company incurred cash loss of Rs.9,006 thousands. (previous year Loss of Rs.11,708 thousands). After providing for depreciation amounting to Rs.30,283 thousands (previous year Rs.31,182 thousands), the total loss for the year stood at Rs.39,289 thousands (previous year Rs.42,890 thousands).

The Company had become virtually a debt free Company during the year 2007, after all term loan and working capital liabilities of your Company were fully paid off under the One Time Settlement (OTS) deal. In April, 2009, your Company cleared off the Unsecured Loan to the extent of Rs.8.30 crores by transferring some unutilised land at Kakinada. With this, your company is now truly a debt free company.

Your Company had earlier been denied the Sales Tax Incentives though the same were rightfully due to the Company. Your Company had preferred an appeal before the Sales Tax Appellate Tribunal, A.P. (STAT) and the matter was disposed off in our favour in June, 2009 with a direction from the STAT that the incentives are due to the Company and the Commercial Tax Officer should revise the assessments from 1998 - 1999 onwards taking into account the incentives. This would be a great relief to the Company as it would be able to write off substantial Sales Tax liability which appears in the Books of Accounts.

With the above, the Company would have no Secured or Unsecured Loans except to the extent of Security deposit from the dealers.

Future Outlook :

As you are aware, the Company had been badly let down by the Government of India who did not honour its commitments given to the private sector LPG Industry.

As was informed earlier, your company had tied-up / further tying up arrangements with both Multi National (MNC) LPG Companies as well as Public Sector Oil Companies for sharing its infrastructure with them which had generated revenues to your company, but when their infrastructure facilities were completed they pulled out. All out efforts are being made to get in Companies which would like to avail our infrastructure facilities.

Your company is exploring all avenues to enhance its revenues through optimum utilization of its infrastructure, disposing off idle assets where not required.

3. Deployment of Funds :

(Rs.000 Omitted)

Source of Funds	31.03.2009	31.03.2008
Share Capital and Reserves	773986	773986
Un-secured Loans and Trade Deposits	215125	209170
Total	989111	983156

Application of Funds		
Net Fixed Assets, Capital Work-in-progress	404512	443403
Investments	10250	10250
Net Current Assets	115601	108844
Miscellaneous Expenditure to the extent not written off	25499	26699
Profit and Loss A/c.	433249	393960
Total	989111	983156

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 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 31.03.2009.

6. DEPOSITS

Your Company has not accepted any Deposits during the year.

7. DIRECTORS

In terms of Articles of Association of the Company, Mr. B.K. Sinha, Mr. R. Prabhakar Rao, Mr. D.V.L.N. Murthy and Mr. S. Gopala Krishnan retire as Directors at this Annual General Meeting. Mr. B. K. Sinha and Mr. R. Prabhakar Rao being eligible have offered themselves for re-appointment, while Mr.D.V.L.N.Murthy and Mr. S. Gopala Krishnan have not offered themselves for re-appointment and the Company proposes not to fill the vacancies so created.

During the year Mr.V.Subrahmanyam was appointed as an Additional Director of the Company. Your Directors recommended his appointment as Director liable to retire by rotation.

The term of appointment of Mr. D V Manohar, as Managing Director expires on 24th July, 2009. Your Directors recommend his re-appointment for a further period of FIVE years from 25th July, 2009 on the existing terms and conditions of his earlier appointment

8. AUDITORS

The Statutory Auditors M/s. Venugopal & Chenoy, Chartered Accountants, appointed by the Members at their earlier Annual General Meeting retire at the conclusion of this Meeting and they are eligible for re-appointment. The Members are requested to appoint the Auditors and 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, 2009, 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, 2009 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

D. V. MANOHAR
Chairman & Managing Director

Place : Hyderabad
Date : 23-07-2009

MANAGEMENT DISCUSSION AND ANALYSIS

SHRI SHAKTI LPG LIMITED (SSLPG) is 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.

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

Opportunities and Threats :

Your company has taken up a three pronged strategy for its turn around which is 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 the Supreme Court has made it mandatory to convert three wheelers to run on environment-friendly fuels such as CNG 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.

The company after herculean efforts succeeded in raising the necessary funds for the OTS through sale of its surplus land at Kakinada as well as short term loans, from various entities. Accordingly Punjab National Bank (PNB) was paid in 2005 and thereafter the State Bank of Hyderabad (SBH) in 2006 and IFCI Ltd. (IFCI) in January - 2007.

The Government of India has to remove the subsidy which it has not been doing. Therefore the company has decided to focus on the non-subsidized markets such as Commercial, Industrial & Auto LPG. Further, the company is tying up with MNC LPG Companies as well as Public Sector Oil Companies for sharing its infrastructure with them which is expected to generate considerable revenue to the company. The market for commercial as well as auto LPG is getting better and the company should be able to achieve higher volumes.

Segment-wise Performance :

The company is organized into two main business segments namely -

- Liquefied Petroleum Gas - Comprising of Bulk & Packed LPG and
- LPG Conversion Kits for Three Wheelers.

The LPG business constituted 98% of the total turnover of Rs. 82.86 lacs and there are no significant operations from the Auto Conversion Kits Division as of now.

Outlook :

The company is focusing on the non-subsidised markets such as Commercial, Industrial and Auto Fuel markets. It is also tying up with Public Sector Oil Companies and MNCs to share the infrastructure in order to generate revenues. Negotiations are in advanced stage for further tie-ups in this direction.

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 LPG prices, Government policies, global developments in respect of LPG availability, technological changes etc. Business risks and uncertainties are identified and prioritized. Appropriate strategies are planned and implemented.

Internal Control Systems :

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

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

Financial performance Vs. Operations performance :

During the year the company incurred cash loss of Rs.9,006 thousands (previous year Rs.11,708 thousands). After providing for depreciation of Rs.30,283 thousands (previous year Rs.31,182 thousands), the total loss for the year stood at Rs.39,290 thousands (previous year Rs. 42,890 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 16 permanent employees at the end of financial year 2008-09.

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.

A Report on Corporate Governance

a) Company's Philosophy

Shri Shakti LPG Ltd. is committed to the highest standards of Corporate Governance in all its activities and processes. The driving forces of Corporate Governance at Shri Shakti 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 11 Directors, as on 31st March, 2009, 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	5	4	No
Mr. B. K. Bakhshi	Independent and Non-Executive Director	Director	5	2	3	No
Mr.D.V.L.N.Murthy	Independent and Non-Executive Director (Since resigned)	Director	5	2	—	No

Mr.S.Gopala Krishnan	Independent and Non-Executive Director	Director	5	1	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	5	1	Yes
Mr. R.Prabhakar Rao	Independent and Non-Executive Director	Director	5	2	—	Yes

(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 27.06.2008, 28.07.2008, 30.10.2008, 30.01.2009 and 14.03.2009.

(iii) Directors seeking re-appointment :

Mr. B.K. Sinha, Mr. R. Prabhakar Rao, Mr.D.V.L.N.Murthy and Mr. S.Gopala Krishnan retire as Directors at this Annual General Meeting. Mr. B.K. Sinha and Mr. R.Prabhakar Rao being eligible have offered themselves for re-appointment, while Mr.D.V.L.N.Murthy and Mr. S. Gopala Krishnan have not offered themselves for re-appointment and the Company has decided not to fill the vacancies so created.

During the year Mr.V.Subrahmanyam was appointed as an Additional Director of the Company and his appointment is placed before the shareholders as a Director liable to retire by rotation.

The appointment of Mr. D. V. Manohar, Managing Director expires on 24.07.2009 and he is seeking re-appointment on the existing terms & conditions for a period of 5 years.

(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 under Promoter's category.

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 a 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 consisted of three Independent Directors and one Promoter Director as follows :

- 1) Mr. D.V.L.N.Murthy, Director
- 2) Mr. B.K. Bakhshi, Director
- 3) Mr. D.V. Raja Sekhar, Director
- 4) Mr. S.Gopala Krishnan, Director

which was reconstituted by the Board with the following Directors on 23rd July, 2009

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

The Company Secretary is the Secretary of the Committee.

During the year under review, Mr.D. V. Raja Sekhar has attended all the 4 meetings and Mr. D.V.L.N.Murthy has attended 2 meetings. Mr.S.Gopala Krishnan has attended 2 meetings and Mr.B.K.Bakhshi has attended 1 meeting during the year.

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

a) **Remuneration Committee**

The Remuneration committee is constituted to evaluate remuneration and benefits for Executive Directors as per Clause 49 of the Listing Agreement. The committee, which last met on 06.12.2004 is again reconstituted with the following members to review the term and the remuneration of the Managing Director which expires on 24th July, 2009.

- | | | |
|---------------------|---|----------|
| Mr. B.K.Sinha | - | Director |
| Mr. D.V.Satya Kumar | - | Director |
| Mr. B.K.Bakhshi | - | Director |

The Remuneration Committee met on 23rd July, 2009 and recommended to the Board the re-appointment of Mr. D. V. Manohar as Managing Director for a period of FIVE years w.e.f. 25th July, 2009 on the existing terms and conditions.

(i) Remuneration Policy:

The Directors are paid a sitting fee of Rs.2,500/- each for the Board Meetings and Rs.1000/- each for Sub Committee Meetings held on 27.06.2008, 28.07.2008, 30.10.2008, 30.01.2009 and 14.03.2009.

(ii) Sitting Fees paid to Directors:

	Rs.
1. Mr. D.V.Satya Kumar	12,500.00
2. Mr. D.V.Raja Sekhar	16,500.00
3. Mr. S.Gopalakrishnan	3,500.00
4. Mr. B.K.Sinha	12,500.00
5. Mr. R.Prabhakar Rao	5,000.00
6. Mr. D.V.L.N.Murthy	7,000.00
7. Mr. B.K.Bakhshi	6,000.00
TOTAL	63,000.00

b) 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 issues
- 3) Dividends
- 4) Dematerialization of Shares
- 5) Replacement of lost/stolen/mutilated share certificates
- 6) Non-receipt of Rights/Bonus/Split Share Certificates

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.

Mr. T. Anil Kumar, Company Secretary & Vice President (Finance) is the co-ordinator for the Board and other committees and the Compliance Officer for the purpose of compliance with the requirements of the Listing Agreement.

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

Date	Venue	Time	No. of Special Resolutions	Members present by	
				Person	Proxy
14.12.2006	Hari Hara Kala Bhavan, Near Patny Circle, Secunderabad	10.30 A.M.	-	400	9
27.09.2007	Hari Hara Kala Bhavan, Near Patny Circle, Secunderabad	10.30 A.M.	-	360	9
25.09.2008	Hari Hara Kala Bhavan, Near Patny Circle, Secunderabad	10.30 A.M.	-	405	10

d) Disclosures

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

The Shares of the Company were under temporary suspension from trading at the National Stock Exchange of India Ltd. (NSE) and the Stock Exchange, Mumbai (BSE) from 2005.

The company has been complying with all statutory requirements including listing fees for the year 2008-09. The company is regularly following up with NSE & BSE.

e) Means of Communication

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

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

i) General Shareholders Information

(a) Annual General Meeting

16th Annual General Meeting to be held on 31st August, 2009 at Hari Hara Kala Bhavan, S.P. Road, Secunderabad-500 003.

- (b) Un-audited Financial results were approved as follows :
- | | | |
|------------------|---|---------------|
| - First Quarter | - | July, 2008 |
| - Second Quarter | - | October, 2008 |
| - Third Quarter | - | January, 2009 |
| - Fourth Quarter | - | June, 2009 |
- (c) Book closure from 30.08.2009 to 31.08.2009 (both days inclusive).

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

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).

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

ISIN for the Company's Equity Shares: INE 293 E01011

The shares of the company are under temporary suspension from trading at NSE and BSE.

STOCK CODE:

NSE	:	SHAKTIGAS
HSE	:	SAK
BSE	:	531322 (SHRI SHAK)

STOCK MARKET DATA:

There is no quotation of the Company's Shares during the year 2008-09, hence the information is not provided.

SHARE TRANSFER AGENT:

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

XL SOFTECH SYSTEMS LTD.,

3, Sagar Society, Banjara Hills,

Hyderabad - 500 034

Tel. : 040 - 23545913/14/15 ; Fax : 040 - 2355 3214

Email : xlfield@rediffmail.com

website : www.xlsoftech.org

SHARE TRANSFER SYSTEM:

The Board has authorised the Chairman & Managing Director and Company, Secretary to approve transfer/transmission/transposition of Shares.

DISTRIBUTION OF SHAREHOLDING:

Range		No. of Shareholders	
From	To	No.	%
Upto	5000	8863	47.38
5001	- 10000	6244	33.38
10001	- 20000	1767	9.45
20001	- 30000	434	2.32
30001	- 40000	318	1.70
40001	- 50000	310	1.66
50001	- 100000	276	1.48
100001 &	Above	494	2.64

DEMATERIALISATION OF SHARES:

As on 31st March, 2009, the Company has dematerialised 20045202 Equity Shares out of the total 58000000 of Paid-up Capital of the Company.

Demat ISIN No. in NSDL & CDSL for Equity Shares
INE 293B01011.

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 SHAKTI LPG LIMITED
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 Shakti LPG Ltd.,
Nemam (Village), Beach Road, Kakinada
Phone : 0884-6563346
- (b) Bibinagar : Shri Shakti LPG Ltd.,
Old Warangal Road, Near SVG Granites,
Bibinagar (Vill & Mandal), Nalgonda District (AP)
Phone : 08685-278321

By Order of the Board

Place : Hyderabad

Date : 23.07.2009

D. V. Manohar
Chairman & Managing Director

AUDITORS CERTIFICATE

To
The Members of
Shri Shakti LPG Ltd.,
Hyderabad.

We have examined the compliance of conditions of corporate governance by Shri Shakti LPG Limited for the year ended 31.03.2009, 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 ensuring 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 & CHENYO
CHARTERED ACCOUNTANTS,

Place: Hyderabad
Date : 23.07.2009

(P.V.SRI HARI)
Partner
M.No.21961

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	65367
Rate	Rs./KWH	9.22
Total	Rs.	6,03,066.00
b) Own Generation Unit	KWH	1526
Rate	Rs./KWH	37.52
Total	Rs.	57,258.00

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:

(Rs. in Lakhs)

Current Year

1) Foreign Exchange earned	NIL
2) Foreign Exchange used	
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

PLACE : HYDERABAD
DATE : 23-07-2009**D. V. Manohar**
Chairman & Managing Director

AUDITOR'S REPORT

To

The Members,
Shri Shakti LPG Limited
Hyderabad.

We have audited the attached Balance Sheet of Shri Shakti LPG Limited Hyderabad, as at March 31, 2009 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 are disqualified as on March 31, 2009, from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- f) In our Opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Significant Accounting Policies and Notes to Accounts thereon give the information 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, 2009;
- (ii) In so far as it relates to the Profit and Loss Account, of the Loss of the Company for the year ended on that date; and
- (iii) In so far as it relates to the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For VENUGOPAL & CHENOY
CHARTERED ACCOUNTANTS

Place: Hyderabad
Date : 30.06.2009

(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 Rs.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 Rs.10 Crores.
9. 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, 2009 for a period of more than six months from the date they became payable, except in respect of Sales Tax of Rs.90.74 Lakhs not paid as on date.
- b) The disputed statutory dues aggregating to Rs.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 pending	Forum where Dispute is in Lakhs	Amount (Rs.)
1.	Customs Duty Act	Customs Duty	CEGAT	352.77
Total:				352.77

10. 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.
11. 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.
12. The Company has not dealt in or traded in shares, securities, debentures and other investments.
13. The Company has not given guarantees for loans taken by others from banks or financial institutions.
14. The Company has not raised any new term loans during the year from banks nor there are outstanding term loans as at 31.03.2009.
15. The company during the year did not raise any short-term loans and hence the question of their usage does not arise.

16. 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.
17. The Company has not issued any debentures during the year.
18. The Company has not raised any money by way of public issue during the year.
19. 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 : 30.06.2009

(P. V. SRI HARI)
Partner
M.NO.21961

BALANCE SHEET OF SHRI SHAKTI LPG LIMITED AS AT 31ST MARCH 2009

	SCH	As At 31.03.2009 Rs.in '000s	As At 31.03.2008 Rs.in '000s
Source Of Funds			
Share Holders Funds			
Share Capital	I	515,465	515,465
Reserves & Surplus	II	258,521	258,521
		<u>773,986</u>	<u>773,986</u>
Loans Funds			
Unsecured Loans	III	215,125	209,170
		<u>215,125</u>	<u>209,170</u>
Total		<u>989,111</u>	<u>983,156</u>
Application of Funds			
Fixed Assets			
Gross Block	IV	1,161,935	1,170,697
Less: Depreciation		757,423	727,294
Net Block		<u>404,512</u>	<u>443,403</u>
Investments			
Current Assets Loans & Advances	V VI	10,250	10,250
Currents Assets			
A. Inventories		78,790	79,362
B. Receivables		5,632	5,220
C. Cash and Bank Balances		85	274
D. Other Current Assets		66,600	66,600
E. Loans and Advances		28,297	27,667
		<u>179,404</u>	<u>179,123</u>
Current Liabilities and Provision	VII	63,803	70,279
Net Current Assets		<u>115,601</u>	<u>108,844</u>
Miscellaneous Expenditure	VIII	25,499	26,699
(to the extent not written off or adjusted)			
Profit & Loss Account (per annexed a/c.)		433,249	393,960
Total		<u>989,111</u>	<u>983,156</u>

Our Report Attached
for Venugopal & Chenoy
Chartered Accountants

For and on behalf of the Board

P.V.Sri Hari	T. Anil Kumar	D.V.Manohar	D.V. Satya Kumar	B.K. Sinha
Partner	Company Secretary &	Chairman &	Director	Director
M.No. 21961	Vice President (Fin)	Managing Director		

Hyderabad

Date : 30.06.2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

		YEAR ENDED 31.03.2009 Rs.in '000s	YEAR ENDED 31.03.2008 Rs.in '000s
Income	SCH		
Sales	IX	8,286	29,578
Other Income	X	5,140	3,137
Profit on Sale of Assets		5,910	2,516
Increase/(Decrease) In Stocks	XIV	-294	320
Total		19,042	35,551
Expenditure			
Materials	XI	6,944	23,165
Personnel	XII	2,516	3,234
Administrative & Other Expenses	XIII	9,857	9,919
Interest	XV	7,500	9,707
Preliminary & Other Expenses W/Off		1,200	1,200
Depreciation	IV	30,284	31,182
Total		58,301	78,407
Profit/(Loss) Before Prior Period Items		-39,259	-42,856
Profit/(Loss) Before Provision For Tax		-39,259	-42,856
Add: Fringe Benefit Tax		30	34
Net Profit/(Loss) After Tax		-39,289	-42,890
Add: Balance Brought Forward		-393,960	-351,070
Balance Carried to Balance Sheet		-433,249	-393,960

Our Report Attached
for Venugopal & Chenoy
Chartered Accountants

For and on behalf of the Board

P.V.Sri Hari	T. Anil Kumar	D.V.Manohar	D.V. Satya Kumar	B.K. Sinha
Partner	Company Secretary &	Chairman &	Director	Director
M.No. 21961	Vice President (Fin)	Managing Director		

Hyderabad
Date : 30.06.2009

SCHEDULE I	31.03.2009 Rs.in '000s	31.03.2008 Rs.in '000s
Share Capital		
Authorised:		
60,000,000 EQUITY SHARES OF Rs.10/- EACH (March 31, 2009, 60,000,000 Equity Shares of Rs 10/- each)	600,000	600,000
Issued:		
58,000,000 Equity Shares of Rs.10/- each (March 31, 2009, 58,000,000 Equity Shares of Rs 10/- each)	580,000	580,000
Subscribed & Paid Up		
58,000,000 Equity Shares of Rs.10/- each (March 31, 2009, 58,000,000 Equity Shares of Rs 10/- each)	580,000	580,000
Less: Calls In Arrears	64,535	64,535
Total	515,465	515,465
Schedule II : Reserves & Surplus		
Investment Subsidy	2,000	2,000
Revaluation Reserve	256,521	256,521
Total	258,521	258,521
Schedule III : Unsecured Loans		
Chintalpathi Holding Pvt. Ltd.	25,000	25,000
Interest Accrued Due	26,069	22,319
Venture Tech Pvt Ltd.	25,000	25,000
Interest Accrued Due	6,888	3,138
Deferred Sales Tax From State Govt of AP	28,367	28,367
Security Deposit From Dealers	103,801	105,346
Total	215,125	209,170
Schedule V: Investments		
(Non Trade, Unquoted , stated at Cost)		
32,100 Equity Shares of Rs 10/- each in M/s Asia LPG Pvt. Ltd., a wholly owned Subsidiary	10,250	10,250
Total	10,250	10,250

SCHEDULE IV- FIXED ASSETS

(Rs.in '000s)

DESCRIPTION OF ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 1.4.2008	ADDITIONS	DELETIONS/ ADJUST- MENTS	AS AT 31.3.2009	AS AT 1.4.2008	FOR THE PERIOD	DELETIONS/ ADJUST- MENTS	UPTO 31.3.2009	AS AT 31.3.2009	AS AT 31.3.2008
Land / Development	95,976	0	8,011	87,965	0	0	0	0	87,965	95,976
Buildings - Factory	20,191	0	0	20,191	8,282	674	0	8,956	11,235	11,909
Buildings - Others	23,240	0	750	22,490	4,770	367	155	4,982	17,508	18,470
Plant & Machinery	576,010	0	0	576,009	268,458	27,360	0	295,818	280,191	307,552
Vehicles	1,446	0	0	1,446	1,446	0	0	1,446	0	0
Office Equipments	1,900	0	0	1,900	1,004	90	0	1,094	806	896
Computers	3,746	0	0	3,746	3,726	16	0	3,742	4	20
Others Equipments	243	0	0	243	157	12	0	169	74	86
Miscellaneous Assets	3,087	0	0	3,087	1,943	147	0	2,090	997	1,144
Cylinders	355,383	0	0	355,383	355,227	117	0	355,344	39	156
Regulators	72,933	0	0	72,933	72,824	81	0	72,905	28	109
Furniture & Fixtures	6,369	0	0	6,369	4,573	403	0	4,976	1,393	1,796
Technical Know-How	10,173	0	0	10,173	4,884	1,017	0	5,901	4,272	5,289
Total	1,170,697	0	8,761	1,161,935	727,294	30,284	155	757,423	404,512	443,403
Previous Year	1,190,077	203	19,583	1,170,697	696,112	31,182	0	727,294	443,403	493,965

	31.03.2009 Rs.in '000s	31.03.2008 Rs.in '000s
Schedule VI: Current Assets loans and Advances		
A: Inventories		
Stock of LPG		487
Stock of Cylinders, Regulators, Steel & Spares	78,587	78,630
Finished Good / Auto Kits	203	245
Total	78,790	79,362
B. Sundry Debtors (Unsecured and Considered Good)		
More than Six Monhts	5,632	5,220
Total	5,632	5,220
C: Cash and Bank Balances		
Cash on Hand	66	68
Balances with Scheduled Banks in Current Accounts	19	206
Total	85	274
D. Other Current Assets		
	66,600	66,600
Total	66,600	66,600
E : Loans and Advances		
Staff Advances And Employee Loans	105	97
Deposits With Government Bodies & Others	4,600	4,600
Other Advances & Deposits	23,592	22,970
Total	28,297	27,667
	179,404	179,123
Schedule VII: Current Liabilities & Provisions		
Sundry Creditors:		
For Supplies	12,673	13,941
For Expenses	22,638	26,884
Others	28,492	29,454
Total	63,803	70,279
Schedule VIII: Miscellaneous Expenditure (to the extent not written off or adjusted)		
Market Seeding Expenses	6,809	7,076
Deferred Revenue Expenses	2,124	2,224
Public Issue Expenses	16,566	17,399
Total	25,499	26,699
Schedule IX: Sales		
Sales of Packed LPG	8,195	28,975
Sales of Auto Kits	91	603
Total	8,286	29,578
Schedule X: Other Income		
Bottling charges	5,027	2330
Other Miscellaneous Income	113	807
Total	5,140	3,137

Schedules XI : Materials		31.03.2009	31.03.2008
		Rs.in '000s	Rs.in '000s
Opening Stock.		859	554
Purchases		6,414	23,098
Less : Closing Stock		329	487
Consumption	Total	6,944	23,165
Schedule XII : Personnel			
Salaries and Wages		1,786	2,457
Contribution to Provident Fund & ESI		154	201
Director's Remuneration		576	576
	Total	2,516	3,234
Schedule XIII : Expenses			
Conveyance		84	236
Rent		120	240
Postage Telegrams & Telephones		214	240
Travelling Expenses		754	549
Electricity		1,127	880
Bank Charges		41	27
Insurance		4	2
Vehicle Maintenance		41	61
Plant Maintenance		679	935
Sales Tax		556	2,067
Selling Expenses		128	235
Rates and Taxes		2,149	313
Security Charges		633	509
Legal Expenses		204	136
Professional Consultancy		1,271	1,346
AGM Expenses		204	311
Auditors Remuneration:			
Audit Fee		60	60
Tax Audit Fee		15	15
Gratuity		25	177
Listing Fee		189	276
Office Maintenance		615	457
Miscellaneous Expenses		744	847
	Total	9,857	9,919
Schedule XIV : Increase / (Decrease) In Stock Of Finished Goods			
Closing Stock Of Filled Cylinders/ Full Kits		211	505
Opening Stock Of Filled Cylinders/ Full Kits		505	185
	Total	-294	320
Schedule XV : Interest			
Corporate Loans		7,500	9,707
	Total	7,500	9,707

NOTES ON ACCOUNTS SCHEDULE – XVI**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 Rs.10,000/- in each case is debited/credited to relevant Heads of Account.

7. PREPAID EXPENSES:

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

8. FOREIGN CURRENCY TRANSACTIONS :

Foreign Currency transactions are accounted at equivalent rupee value.

9. CLAIMS:

Claims are accounted on receipt/acceptance.

10. INVESTMENT SUBSIDY:

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

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

(Rs.in,000s)

	As on 31.03.2009	As on 31.03.2008
i) Claims not acknowledged as debts	668	668
ii) Estimated amount of Customs Duty payable on imported Bonded Material, including interest, warehousing charges, etc.		9,883
iii) 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. Balance standing to the debit/credit of parties are subject to confirmation by them and review by the Company.		
4. "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.		
5. 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 Rs.283.67 lacs to the Government of Andhra Pradesh and the same is shown under "Unsecured Loans".		
6. The company got its Land both at Bibinagar and Kakinada, revalued in the year 2005 - 06 by approved valuer based on the technical evaluation		
7. Keeping in view of the huge carried forward losses, the Company, as a matter of prudence, did not recognize deferred tax assets.		
8. "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.		
9. 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.		

10. Quantitative details and value of consumption of materials, opening and closing stock.

	2008-09			2007-08		
	KKD	HYD	B'LORE	KKD	HYD	B'LORE
i. Annual Installed Capacity (MT)	45000	20000	12000	45000	20000	12000
ii. Production (MT)	-	82.521	59.821	-	298.736	301.290
iii. Capacity Utilisation Bottling of LPG (MT)%	-	0.413	0.498	-	1.493	2.510
		2008-09			2007-08	
		Qty.	Value		Qty.	Value
		MT	Rs'000		MT	Rs'000
iv. Opening Stock of LPG		12.010	486		17.026	553
v. Closing Stock		0.221	8		12.010	486
vi. Turnover; Bottled LPG		154.131	8195		605.042	28975
vii. Auto Conversion Kits						
		2008-09			2007-08	
		Qty.	Value		Qty.	Value
		Nos.	Rs'000		Nos.	Rs'000
viii. Closing Stock of Kits		29	203		35	245
ix. Kits Turnover		6	91		55	603
11. MANAGERIAL REMUNERATION (Rs'in lacs)						
		2008-09			2007-08	
		Salary	Perks		Salary	Perks.
			(Rs.000)			(Rs.000)
Managing Director		576	90		576	90

12. Segment information for the year ended 31 st March 2009						
(I) Information about Primary Business Segments (Rupees in '000s)						
	Liquified Petroleum Gas		Auto Conversion Kits		Total	
	2009	2008	2009	2008	2009	2008
Revenue						
External	8,195	28,975	91	603	8,286	29,578
Inter segment	0	0	0	0	0	0
Total Revenue	8,195	28,975	91	603	8,286	29,578
Result						
Segment result	(10,780)	(25,736)	(382)	(708)	(11,163)	(26,444)
Unallocated expenditure net of unallocated income	0	0	0	0	0	0
Interest expenses	(7,500)	(9,707)	0	0	(7,500)	(9,707)
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	(38,901)	(35,443)	(358)	(708)	(39,259)	(36,151)
Exceptional items	0	0	0	0	0	0
Net Profit	(38,931)	(42,183)	(358)	(708)	(39,289)	(42,891)
Other information						
Segment assets	583,270	622,364	542	163	583,812	622,527
Segment liabilities	277,233	278,776	1,592	673	278,825	279,449
Capital expenditure	0	0	0	0	0	0
Depreciation	29,267	30,166	1,017	1,017	30,284	31,183
Non-cash expenses other than depreciation	1,200	1,200	0	0	1,200	1,200
(II) Notes :-						
(i) The company is organized into two main business segments namely						
- Liquified Petroleum Gas -Comprising of Bulk and Packed LPG						
- Auto Conversion Kits- LPG conversion kits for three wheelers						
Segments have been identified and reported taking into account the nature of products and services, the differing risks and returns, the organization structure, and the Internal financial reporting system						
(ii) Segment Revenue in each of the above domestic business segments primarily includes sales and bottling charges						
(iii) Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.						

13. 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.Satya Kumar

Mr.D.V.Raja Sekhar

Sitting fee of Rs 0.63 Thousands (Previous Year-Rs.0.33 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 Rs.576 thousands (previous year Rs.709 thousands), with the above related parties.

14. 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.

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

For and on behalf of the Board

T. ANIL KUMAR

Company Secretary &
Vice President (Fin.)

D. V. MANOHAR

Chairman &
Managing Director

D.V. SATYA KUMAR

Director

B.K. SINHA

Director

Place : Hyderabad

Date : 30.06.2009

BALANCE SHEET ABSTRACT AND A COMPANY'S GENERAL BUSINESS PROFILE**I. Registration Details**

State Code

0 1

Registration No.

1 5 9 8 8

Balance Sheet

3 1 0 3 2 0 0 9

Date

Date Month Year

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

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

Total Liabilities

0 0 0 9 8 9 1 1 1

Total Assets

0 0 0 9 8 9 1 1 1

Sources of Funds

Paid-up Capital

0 0 0 5 1 5 4 6 5

Reserves & Surplus

0 0 0 2 5 8 5 2 1

Secured Loans

0 0 0 0 0 0 0 0 0

Unsecured Loans

0 0 0 2 1 5 1 2 5

Application of Funds

Net Fixed Assets

0 0 0 4 0 4 5 1 2

Investments

0 0 0 0 1 0 2 5 0

Net Current Assets

0 0 0 1 1 5 6 0 1

Misc. Expenditure

0 0 0 0 2 5 4 9 9

Accumulated Losses

0 0 0 4 3 3 2 4 9

IV. Performance of Company (Amount in Rs. Thousands)

Turnover

0 0 0 0 0 8 2 8 6

Total Expenditure

0 0 0 0 5 8 3 0 0

+ -
- 0

Profit / Loss Before Tax

0 0 0 0 3 9 2 5 9

+ -
-

Profit / Loss After Tax

0 0 0 0 3 9 2 8 9

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

Earning per Share in Rs.

										0
--	--	--	--	--	--	--	--	--	--	---

Dividend

NIL

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

L	I	Q	U	I	F	I	E	D		P	E	T	R	O	L	E	U	M		
G	A	S																		

Item Code No.

0	0	0	0	0	0	7	3	1	1
---	---	---	---	---	---	---	---	---	---

(ITC Code)

Product Description

L	P	G		C	Y	L	I	N	D	E	R	S								
---	---	---	--	---	---	---	---	---	---	---	---	---	--	--	--	--	--	--	--	--

Item Code No.

0	0	0	0	0	0	8	4	1	0
---	---	---	---	---	---	---	---	---	---

(ITC Code)

Product Description

L	P	G		R	E	G	U	L	A	T	O	R	S							
---	---	---	--	---	---	---	---	---	---	---	---	---	---	--	--	--	--	--	--	--

For and on behalf of the Board

T. ANILKUMAR
Company Secretary &
Vice President (Finance)

D V MANOHAR
Chairman &
Managing Director

D V SATYA KUMAR
Director

B.K. Sinha
Director

Hyderabad
23.07.2009

CASH FLOW STATEMENT OF SHRI SHAKTI LPG LIMITED As At 31st March, 2009

	YEAR ENDED 31.03.09 Rs.in '000s	YEAR ENDED 31.03.08 Rs.in '000s
Cash Flow From Operating Activities:		
Profit Before Tax And Extraordinary Items	-39,259	-42,856
Adjustments For:		
Depreciation	30,284	31,182
Foreign Exchange	0	0
Investments	0	0
Interest / Dividend	7,500	9,707
	<u>37,784</u>	<u>40,889</u>
Operating Profit Before Working Capital Changes	-1,475	-1,967
Adjustments For:		
Trade And Other Receivables	-1,042	-2,672
Inventories	572	214
Trade Payables	-6,475	1,818
	<u>-6,945</u>	<u>-639</u>
Cash Generated From Operations	-8,420	-2,606
Interest	7,500	9,707
Direct Taxes Paid	0	0
	<u>7,500</u>	<u>9,707</u>
Cash Flow Before Extra Ordinary Items	-15,920	-12,313
Extra Ordinary Items		
Ring Benefit Tax	29	34
Public Issue Expenses (Prior Period)	-1,200	-1,200
Expenditure Pertaining to Previous Year	0	0
	<u>-1,171</u>	<u>-1,166</u>
Net Cash From Operating Activities	-14,749	-11,147
Cash Flow From Investing Activities		
Sales of Fixed Assets	8,604	19,381
Interest Received	0	0
Increase in Fixed Assets	0	0
	<u>8,604</u>	<u>19,381</u>
Net Cash Used In Investing Activities	-6,145	8,234
Cash Flow From Financing		
Proceeds From Issue Of Share Capital	0	0
Proceeds From Long-Term Borrowings	0	0
Payment of Finance Lease Liabilities	5,956	-9,720
Share Application Money	0	0
	<u>5,956</u>	<u>-9,720</u>
Net Cash Used In Financing Activities	-189	-1,486
Net Increase In Cash And Cash Equivalents	274	1,760
Cash And Cash Equivalent As At 1.4.08	85	274
Cash And Cash Equivalent As At 31.3.09	<u>-189</u>	<u>-1,486</u>

For and on behalf of the Board

T. Anil Kumar
Company Secretary &
Vice President (Fin)D.V.Manohar
Chairman &
Managing DirectorD.V. Satya Kumar,
DirectorB.K.Sinha
DirectorPlace : Hyderabad
Date : 30.06.2009

Auditor's Certificate

We have verified the above Cash Flow Statement compiled from the audited financial statements of M/s Shri Shakti LPG Ltd. for the years ended 31.03.2009 and 31.03.2008. 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: 30.06.2009P V SRI HARI
Partner
M.No. 21961

**CONSOLIDATED BALANCE SHEET OF SHRI SHAKTI LPG LIMITED AND ITS SUBSIDIARY
AS AT 31ST MARCH, 2009**

		As At 31.03.2009 Rs.in '000s	As At 31.03.2008 Rs.in '000s
Source Of Funds	SCH		
Share Holders Funds			
Share Capital	I	515,465	515,465
Reserves & Surplus	II	261,021	261,021
		<u>776,486</u>	<u>776,486</u>
Loan Funds			
Unsecured Loans	III	228,303	222,260
		<u>228,303</u>	<u>222,260</u>
Total		<u>1,004,789</u>	<u>998,746</u>
Application Of Funds			
Fixed Assets	IV		
Gross Block		1,175,575	1,184,339
Less :Depreciation		765,614	734,662
Net Block		409,961	449,677
Goodwill		7,040	7,040
Capital Work In Progress		14,165	14,165
		<u>431,166</u>	<u>470,882</u>
Current Assets Loans & Advances	V		
Current Assets			
A. Inventories		81,350	82,228
B. Receivables		6,635	7,555
C. Cash And Bank Balances		87	297
D. Other Current Assets		66,600	66,600
E. Loan And Advances		28,718	28,014
		<u>183,390</u>	<u>184,694</u>
Current Liabilities And Provisions	VI	73,040	83,105
Net Current Assets		<u>110,350</u>	<u>101,589</u>
Miscellaneous Expenses (To The Extent Not Written Off Or Adjusted)	VII	25,499	26,699
Profit & Loss Account (Per Annexed A/c.)		437,774	399,576
Total		<u>1,004,789</u>	<u>998,746</u>
Notes Forming Part Of Accounts	XV		

Our Report Attached

for **Venugopal & Chenoy**
Chartered Accountants

For and on behalf of the Board

P.V.Sri Hari

T. Anil Kumar

D.V.Manohar

D.V. Satya Kumar

B.K.Sinha

Partner

Company Secretary &

Chairman &

Director

Director

M.No. 21961

Vice President (Fin)

Managing Director

Hyderabad

Date:30.06.2009

**CONSOLIDATED PROFIT AND LOSS ACCOUNT OF SHRI SHAKTI LPG LIMITED
AND ITS SUBSIDIARY FOR THE YEAR ENDED 31ST MARCH, 2009**

		YEAR ENDED 31.03.2009	YEAR ENDED 31.03.2008
	SCH	Rs.in '000s	Rs.in '000s
Income			
Sales	VIII	8,874	29,578
Other Income	IX	11,257	9,808
Profit on Sale of Assets		5,910	2,516
Increase /(Decrease) In Stocks	XIII	-294	320
Total		<u>25,747</u>	<u>42,222</u>
Expenditure			
Materials	X	7,510	23,166
Personnel	XI	3,411	4,022
Expenses	XII	13,222	12,509
Interest	XIV	7,500	9,707
Preliminary & Other Exps W/Off		1,200	1,200
Depreciation	IV	30,859	31,779
Total		<u>63,702</u>	<u>82,383</u>
Profit Before Prior Period Items		-37,955	-40,161
Profit Before Provision For Tax		-37,955	-40,161
Provision for MAT		207	0
Add: Fringe Benefit Tax		36	39
Net Profit /(Loss) After Tax		-38,198	-40,200
Add: Balance Brought Forward		-399,576	-359,376
Balance Carried To Balance Sheet		<u>-437,774</u>	<u>-399,576</u>
Notes Forming Part Of Accounts	XV		

Our Report Attached.

for Venugopal & Cheny
Chartered Accountants

For and on behalf of the Board of Directors

P.V.Sri Hari
Partner
M.No. 21961
Hyderabad
Date:30.06.2009

T. Anil Kumar
Company Secretary &
Vice President (Fin)

D.V.Manohar
Chairman &
Managing Director

D.V. Satya Kumar
Director

B.K.Sinha
Director

Schedule I :	31.03.2009 Rs.in '000s	31.03.2008 Rs.in '000s
Share Capital		
Authorised :		
60,000,000 EQUITY SHARES OF RS.10/- EACH 600,000 (March 31, 2009, 60,000,000 Equity Shares of Rs 10/- each)	600,000	600,000
Issued :		
58,000,000 Equity Shares of Rs.10/ each (March 31, 2009, 58,000,000 Equity Shares of Rs 10/- each)	580,000	580,000
Subscribed :		
58,000,000 Equity Shares of Rs.10/ each (March 31, 2009, 58,000,000 Equity Shares of Rs 10/- each)	580,000	580,000
Less : Calls in Arrears	64,535	64,535
Total Paid Up Capital	515,465	515,465
Schedule II : Reserves & Surplus		
Investment Subsidy	4,500	4,500
Capital Reserve	256,521	256,521
Total	261,021	261,021
Schedule III : Unsecured Loans		
Term Loans		
Chintalapathi Holdings Pvt. Ltd.	25,000	25,000
Interest Accrued And Due	26,069	22,319
Venture Tech Pvt. Ltd.	25,000	25,000
Interest Accrued And Due	6,888	3,138
Deferred Sales Tax From State Govt. Of A.P.	28,367	28,367
Security Deposit From Dealers	116,979	118,436
Total	228,303	222,260

SCHEDULE V- CONSOLIDATED FIXED ASSETS OF SHRI SHAKTI LPG LIMITED AND ITS SUBSIDIARY (Rs.in '000s)

DESCRIPTION OF ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 1.4.2008	ADDITIONS	DELETIONS/ ADJUST- MENTS	AS AT 31.3.2009	AS AT 1.4.2008	FOR THE PERIOD	DELETIONS/ ADJUST- MENTS	UPTO 31.3.2009	AS AT 31.3.2009	AS AT 31.3.2008
Land	95,976	0	8,010	87,966	0	0	0	0	87,966	95,976
Land Development	0	0	0	0	0	0	0	0	0	0
Buildings - Factory	20,190	0	750	19,442	8,282	674	0	10,823	8,619	11,908
Buildings - Others	27,592	0	0	27,593	6,636	511	155	5,125	22,4683	20,956
Plant & Machinery	584,641	0	0	584,641	273436	27,770	0	301,450	283,191	311,205
Vehicles	1,461	0	0	1,460	1,447	0	0	1,446	14	14
Office Equipments	2,232	0	0	2,232	1,335	91	0	1,096	1,136	897
Computers	3,746	0	0	3,746	3,725	16	0	3,742	0	21
Others Equipments	243	0	0	243	157	12	0	169	74	86
Miscellaneous Assets	3,087	0	0	3,087	1,943	147	0	2,423	664	1,144
Cylinders	355,383	0	0	355,383	355,227	117	0	355,344	39	156
Regulators	72,933	0	0	72,933	72,824	81	0	72,905	28	109
Furniture & Fixtures	6,680	0	0	6,680	4,768	423	0	5,191	1,489	1,912
Technical Know How	10,173	0	0	10,169	4,882	1,017	0	5,900	4,269	5,291
Total	1,184,339	0	8,760	1,175,575	734,662	30,859	155	765,614	409,961	449,677
Previous Year	1,203,702	219	19,584	1,184,339	703,120	31,779	0	734,662	449,677	500,582

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	31.03.2009 Rs.in '000s	31.03.2008 Rs.in '000s
Schedule V : Current Assets, Loans & Advances		
A. Inventories		
Raw Materials	440	486
Stores and Spares	81,147	81,497
Finished Goods	203	245
Total	81,350	82,228
B. Sundry Debtors (Unsecured and Considered good)		
More than Six Months	6,635	7,555
Total	6,635	7,555
C: Cash And Bank Balances		
Cash On Hand	68	68
Balances With Scheduled Banks -In Current Accounts	19	229
Total	87	297
D. Others Current Assets		
E. Loans And Advances		
Staff Advances And Employee Loans	111	118
Deposits With Government Bodies & Others	4,942	4,600
Other Advances, & Deposits	23,665	23,296
Total	28,718	28,014
Total	183,390	184,694
Schedule VI Current Liabilities & Provisions		
Sundry Creditors:		
For Supplies	20,045	24,695
For Expenses	23,253	27,705
Others	29,742	30,705
Total	73,040	83,105
Schedule VII : Miscellaneous Expenditure (to the extent not written off, or adjusted)		
Market Seeding Expenses	6,809	7,076
Deferred Revenue Expenses	2,124	2,224
Public Issue Expenses	16,566	17,399
Total	25,499	26,699
Schedule VIII : Sales		
Sales of Packed LPG	8,783	28,975
Sales of Auto Kits	91	603
Total	8,874	29,578
Schedule IX : Other Income		
Amounts Waived By Banks/Financial Institutions	0	1,076
Bottling Charges	10,472	7,926
Other Miscellaneous Income	785	806
Total	11,257	9,808

	31.03.2009 Rs.in '000s	31.03.2008 Rs.in '000s
Schedule X : Materials		
Opening Stock	859	554
Purchases	6,980	23,098
Less: Closing Stock	329	486
Consumption	Total	Total
	<u>7,510</u>	<u>23,166</u>
Schedule XI : Personnel		
Salaries And Wages	2,681	3,245
Contribution To Provident Fund & ESI	154	201
Director's Remuneration	576	576
Total	Total	Total
	<u>3,411</u>	<u>4,022</u>
Schedule XII : Expenses		
Conveyance	111	267
Rent	120	240
Postage Telegram & Telephones	269	303
Travelling Exp - Others	754	549
Electricity	1,722	1,434
Bank Charges	41	27
Insurance	10	8
Vehicle Maintenance	41	61
Plant Maintenance	679	1,193
Sales Tax	556	2,067
Selling Expenses	128	235
Rates & Taxes	2,196	403
Security Charges	836	785
Legal Expenses	204	136
Professional & Consultancy	1,271	1,345
AGM Expenses	204	311
Auditors Remuneration :		
Audit Fee	80	80
Tax Audit Fee	25	25
Gratuity	25	176
Listing Fee	189	275
Office Maintenance	615	457
Miscellaneous Expenses	3,146	2,132
Total	Total	Total
	<u>13,222</u>	<u>12,509</u>
Schedule XIV : Increase / (Decrease) In Stock Of Finished Goods		
Closing Stock of Filled Cylinders/ Full Kits	211	505
Opening Stock of Filled Cylinders/ Full Kits	505	185
Total	Total	Total
	<u>-294</u>	<u>320</u>
Schedule XV : Interest		
Corporate Loans	7,500	9,707
Total	Total	Total
	<u>7,500</u>	<u>9,707</u>

CONSOLIDATED NOTES ON ACCOUNTS SCHEDULE – XVI**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 Shakti LPG 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 unrealized 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 statements.

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:

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

6. INCOME RECOGNITION:

- 1) Sales are inclusive of all taxes wherever applicable, and net of returns.
- 2) Sales are accounted on dispatch of goods.
- 3) Income on services is recognized on release of regulators.

7. PRIOR PERIOD ADJUSTMENTS:

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

8. PREPAID EXPENSES:

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

9. FOREIGN CURRENCY TRANSACTION:

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**

	(Rs.000s)	
	As on 31.03.2009	As on 31.03.2008
i) Claims not acknowledged as debts	668	668
ii) Estimated amount of Customs Duty payable on imported Bonded Material, including interest, warehousing charges, etc.	-	9,983
iii) 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. Balance standing to the debit/credit of parties are subject to confirmation by them and review by the Company.

4. "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.

5. 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 Rs.283.67 lacs to the Government of Andhra Pradesh and the same is shown under "Unsecured Loans".

6. Keeping in view of the huge carried forward losses, the Company, as a matter of prudence, did not recognize deferred tax assets.
7. "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.
8. 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.
9. **Quantitative details and value of consumption of materials, opening and closing stock.**

	2008-09			2007-08		
	KKD	HYD	B'LORE	KKD	HYD	B'LORE
i. Annual Installed Capacity (MT)	45000	20000	12000	45000	20000	12000
ii. Production		82.521	59.821		298.376	301.290
iii. Capacity Utilisation Bottling of LPG (MT)%		0.413	0.498		1.493	2.510

	2008-09		2007-08	
	Qty. MT	Value Rs,000	Qty. MT	Value Rs,000
iv. Opening Stock of LPG:	12.010	486	17.026	553
v. Closing Stock	0.221	8	12.010	486
vi. Turnover: Bottled LPG	154.131	8,195	605.042	28,975

	2008-09		2007-08	
	Qty. Nos.	Value Rs,000	Qty. Nos.	Value Rs,000
vii. Closing Stock of Kits	29	203	35	245
viii. Kits Turnover	6	91	55	603

10. MANAGERIAL REMUNERATION (Rs'in lacs)

	2008-09		2007-08	
	Salary (Rs.in,000)	Perks (Rs.in,000)	Salary (Rs.in,000)	Perks (Rs.in,000)
Managing Director	576	90	576	90

11. Consolidated Segment information for the year ended 31st March 2009**(I). Information about Primary Business Segments (Rupees in '000s)**

	Liquified Petroleum Gas		Auto Conversion Kits		Total	
	2009	2008	2009	2008	2009	2008
Revenue						
External	8,783	41,619	91	603	8,874	42,222
Inter segment	0	0	0	0	0	0
Total Revenue	8,783	41,619	91	603	8,874	42,222
Result	0	0	0	0	0	0
Segment result	-14,734	-29,746	-382	-708	-15,116	-30,454
Unallocated expenditure net of unallocated income	0	0	0	0	0	0
Interest expenses	-7,500	9,707	0	0	-7,500	-9,707
Interest income	0	0	0	0	0	0
Provision for FBT	243	39	0	0	243	39
Profit/(loss) after taxation and before exceptional items	-37,840	-39,492	-358	-708	-38,198	-40,200
Exceptional items	0	0	0	0	0	0
Net Profit	-37,840	-39,492	-358	-708	-38,198	-40,200
Other information						
Segment assets	613,939	655,403	542	163	614,481	655,566
Segment liabilities	299,676	304,692	1,592	673	301,268	305,365
Capital expenditure	0	0	0	0	0	0
Depreciation	29,842	30,762	1,017	1,017	30,859	31,779
Non-cash expenses other than depreciation	1,200	1,200	0	0	1,200	1,200

(II) Notes:-

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

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

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

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

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

12. Related Party Disclosures:

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

a) Key Management Personnel:**Directors:**

Mr. D.V. Manohar

Mr. D.V. Satya Kumar

Mr. D.V. Raja Sekhar

Sitting fee of Rs. 0.63 Thousands (Previous Year - Rs. 0.33 Thousands) was paid during the year.

b) 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

c) 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 Rs.576 thousands (previous year Rs.709 thousands) with the above related parties.

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

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

For and on behalf of the Board

T. ANIL KUMAR
Company Secretary &
Vice President (Fin.)

D. V. MANOHAR
Chairman &
Managing Director

D.V. SATYA KUMAR
Director

B.K.SINHA
Director

Place: Hyderabad
Date: 30.06.2009

**CONSOLIDATED CASH FLOW STATEMENT OF SHRI SHAKTI LPG LIMITED AND ITS SUBSIDIARIES
AS AT 31ST MARCH, 2009**

	YEAR ENDED 31.03.09 RS IN LAKHS	YEAR ENDED 31.03.08 RS IN LAKHS
A: Cash Flow From Operating Activities:		
Profit Before Tax And Extraordinary Items	-37955	-40161
Adjustments For :		
Depreciation	30,859	31,779
Foreign Exchange	0	0
Investments	0	0
Interest/ Dividend	7,500	9,707
	<u>38,359</u>	<u>41,486</u>
Operating Profit Before Working Capital Changes Adjustments For :	404	1,325
Trade And Other Receivables	425	3,346
Inventories	886	216
Trade Payables	-10,274	3,129
	<u>-8,963</u>	<u>6,691</u>
Cash Generated From Operations	-8,559	8,016
Interest	7,500	9,707
Direct Taxes Paid	0	0
	<u>7,500</u>	<u>9,707</u>
Cash Flow Before Extra Ordinary Items	-16,059	-1,691
Extra Ordinary Items		
Excess Provision Towards It reversed	0	0
Public Issue Expenses (Prior Period)	1,200	-1,200
Expenditure Pertaining to Previous Year	0	0
	<u>1200</u>	<u>-1,200</u>
Net Cash From Operating Activities	-14,859	-491
B. Cash Flow From Investing Activities		
Sale of Fixed Assets	8,605	19,363
Sale of Investments	0	0
Subsidy Received	0	0
	<u>8,605</u>	<u>19,363</u>
Net Cash Used In Investing Activities	-6,254	18,872
C. Cash Flow From Financing		
Proceeds From Issue Of Share Capital	0	0
Proceeds From Long - Term Borrowings	6,044	-20,587
Share Application Money	0	0
Dividends Paid	0	0
	<u>6,044</u>	<u>-20,587</u>
Net Cash Used In Financing Activities	-6,044	-20,587
Net Increase In Cash And Cash Equivalents	-210	-1,715
Cash and Cash Equivalent As At 1.4.08	297	2,012
Cash and Cash Equivalent As At 31.3.09	87	297
	<u>-210</u>	<u>-1,715</u>

For and on behalf of the Board

T. Anil Kumar
Company Secretary &
Vice President (Fin)

D.V.Manohar
Chairman &
Managing Director

D.V. Satya Kumar
Director

Auditor's Certificate

We have verified the above Cash Flow Statement compiled from the audited financial statements of M/s Shri Shakti LPG Ltd. for the years ended 31.03.2009 and 31.03.2008. 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 Accountant 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 Accountants
P V SRI HARI
Partner
M.No. 21961

Place : Hyderabad
Date : 30.06.2009

**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	:	31.03.2009
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	:	(+) 1,241,091
For the Previous Financial Year since it became Subsidiary	:	(+) 2,552,463

For and on behalf of the Board

T. Anil Kumar
Company Secretary &
Vice President-Finance

D. V. Manohar
Chairman &
Managing Director

D. V. Satya Kumar
Director

ASIA LPG PRIVATE LIMITED**BOARD OF DIRECTORS**

Mr. D.V. Manohar	Chairman
Mr. B.K. Bakhshi	Director
Mr. D.V. Satya Kumar	Director
Mr. D.V. Raja Sekhar	Director
Mr. M. Raja Sekhara Sastry	Director

AUDITORS

M/s. G.V.R.B & Associates
Chartered Accountants
2nd Floor, MDP Market, Bettappa Lane,
C-7, Street Cross,
Bangalore - 560002.

BANKERS

Indusind Bank

**REGISTERED OFFICE &
PLANT**

Budihal Village,
Nelamangala Taluk
Bangalore - 562123
Tel : 91-080-27730060

DIRECTORS' REPORT

To
The Shareholders
Asia LPG Pvt. Ltd.

Your Directors hereunder present the 15th Annual Report along with the Audited Accounts for the year ended March 31, 2009

1. OPERATING RESULTS		
Particulars	(Rs. In lakhs)	(Rs. In Lakhs)
	2008-09	2007-08
Turnover	67.06	66.72
Expenditure	46.74	33.81
Profit / Loss before Depreciation	20.32	32.90
Depreciation	5.77	5.96
Prior Period Expenses	-	1.35
Net Profit/(Loss)before tax	14.55	25.58
Net Profit/(Loss)after tax	12.41	25.52

2. SUBSIDIARY COMPANY :

The Company is a fully owned subsidiary of Shri Shakti LPG Ltd.

3. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, EXPORT AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

Statement as per Section 217 (1) (e) of the Companies Act, 1956.

- | | | |
|---|---|-----|
| 1. Conservation of Energy | : | Nil |
| 2. Technology Absorption | : | Nil |
| 3. Foreign Exchange Earnings
and outgo | : | Nil |

4. PARTICULARS OF EMPLOYEES UNDER SECTION 217 (2A)

There are no employees under the purview of Section 217 (2A) of the Companies Act, 1956 for the Year.

5. 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 Director's Responsibility Statement, it is hereby confirmed.

- (i) that in the preparation of the accounts for the financial year ended 31st March 2009, 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 the Company at the end of the financial year and of the profit or loss of the 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 the 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, 2009 on a going concern basis.

6. AUDITORS:

M/s. G.V.R.B. & Associates, Chartered Accountant and Auditors of the Company retire at the conclusion of this Annual General Meeting and are eligible for re-appointment.

For and on behalf of the Board of Directors

Place : Hyderabad

Date : 30.06.2009

D.V. MANOHAR

CHAIRMAN

AUDITOR'S REPORT

To,
The Members of ASIA LPG PRIVATE LIMITED,
BANGALORE.

We have audited the attached Balance Sheet of ASIA LPG PVT LTD, as at 31st March 2009 and also the profit & Loss Account for the year on that date annexed there to. 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 the 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 misstatement. An audit includes examining on a test-basis, evidence supporting the amounts and disclosures in the 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 statement 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, on the basis of such cheques and verification of the books of account as we considered necessary and to the best of our knowledge and according to the information and explanations given to us, we report in Annexure, a statement on the matters specified in paragraphs 4 and 5 of the above 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 accounts as required by the Law have been kept by the Company, so far as appears from our examination of those books.
 - C) The Balance Sheet and Profit & Loss A/c dealt with by this report are in agreement with the books of accounts comply with the Accounting standards referred to in Sub Section (3c) of Section 211 of the Companies Act, 1956, to the extent applicable.

- D) On the basis of the written representation received from the directors as on March 31, 2009 and taken on record by the Board of Directors, we report that none of the Directors of the company are disqualified as on March 31, 2009 from being appointed as director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956. In our opinion and to the best of our information and according to the explanations given to us, the said Accounts, read together with Notes on accounts and schedules appearing there on and subject to Accounting Policies [Sch. 14 (1)] and Notes of Accounts [Sch. 14(II)] particularly. Regarding Debit / Credit Balances of parties which are subject to confirmation and review by the Company (Note No.2) gives the information required by the companies Act 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- a) In the case of Balance Sheet, of the state of affairs of the company as at 31st March 2009, and
- b) In the case of profit and Loss Account, of the Loss of the company for the period ended on that date.

For GVRB & ASSOCIATES
Chartered Accountants

Date : 30.06.2009
Camp : Hyderabad

(G.V. RAMESH BABU)
Proprietor
M.No.25125

ANNEXURE TO AUDITOR'S REPORT
(Referred to in Paragraph 2 of our report of even date)

1. The nature of Company's activities during the year have been such that clauses (xii), (xiii), (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year.
2. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
(b) As explained to us, the fixed assets have been physically verified by the management during the year. We are informed that no material discrepancies were noticed by the management on such physical verification.
(c) 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.
3. (a) Physical verification of inventory has been conducted during the year by the management at reasonable intervals, except those lying with third parties. In our opinion, the frequency of verification is reasonable.
(b) The procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the company and nature of the business.
(c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
4. (a) The company has not either granted or taken any loans, secured or unsecured to/from Companies, Firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
(b) Since the company has not either granted or taken any loans, secured or unsecured to/from Companies, Firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, the clause (iii) (b), (iii) (c) and (iii) (d) are not applicable to the Company for the year.
5. 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. During the course of our audit, we have not observed any major weaknesses in internal controls.
6. (a) In our opinion and according to the information and explanations given to us, transactions that need to be entered into a Register in pursuance of Section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and exceeding Rupees five lakhs in respect of any party during the year have been made at prices, which are reasonable having regard to prevailing market prices at the relevant time.

7. The Company has not accepted deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder.
8. The company has an in house Internal Audit Department. In our opinion, the scope and coverage of Internal Audit is commensurate with the size of the company and nature of its business.
9. 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 for the Company as the aggregate value of the turnover does not exceeds Rs.10 Crores.
10. The Company is fairly regular in depositing the amounts of Provident Fund and Employees state Insurance dues. In respect of Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty and Service Tax, there are no undisputed amounts outstanding as at 31st March, 2009, for period of more than six months from the date they became payable, except in respect of Service Tax of Rs.2,08,185/- not paid for the year 2007-08.
11. (a) The Company has accumulated loss of Rs 45.26 Lakhs as at 31st March 2009.
(b) The Company has not incurred any cash loss during the period covered by the report and the Company has not incurred any cash loss in the financial year immediately preceding the period covered by the report.
12. The Company has not defaulted in repayment of dues to the Financial Institutions.
13. In our opinion, and according to the information and explanations given to us, the Company has not given guarantee to Shri Shakti Resorts and Hotels Ltd., for loans taken from banks or financial institutions during the year.
14. The Company has not raised any new term loan during the year. The term loans outstanding at the beginning of the year, on an overall basis have been applied for the purposes for which they were obtained.
15. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the company has not utilized funds raised on short-term basis for long-term investment.
16. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained U/Sec 301 of the Companies Act, 1956.
17. The Company has not issued any debentures and no securities have been created.
18. The Company has not raised any money by way of public issue during the year.
19. 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 GVRB & ASSOCIATES
Chartered Accountants

(G.V. RAMESH BABU)
Proprietor
M.No.25125

Date : 30.06.2009
Camp : Hyderabad

BALANCE SHEET AS AT 31ST MARCH, 2009

Sources Of Funds	SCH	AS AT	AS AT
		31.03.2009	31.03.2008
		RUPEES	RUPEES
Share holders Funds:			
Share capital	1	3,210,000	3,210,000
Reserves & Surplus	2	2,500,000	2,500,000
		<u>5,710,000</u>	<u>5,710,000</u>
Loan Funds:			
Unsecured Loans	3	13,179,529	13,089,929
		<u>13,179,529</u>	<u>13,089,929</u>
Total		<u>18,889,530</u>	<u>18,799,930</u>
Application Of Funds			
Fixed Assets	4		
Gross Block		27,806,610	27,806,610
Less: Depreciation		8,192,494	7,616,172
Net Block		<u>19,614,116</u>	<u>20,190,438</u>
Total		<u>19,614,116</u>	<u>20,190,438</u>
Current Assets, Loans & Advances			
Current Assets	5	3,563,876	5,223,789
Loan & Advances	6	420,993	444,430
		<u>3,984,869</u>	<u>5,668,219</u>
Current Liabilities And Provisions	7	9,236,327	12,826,688
Net Current Assets		(5,251,458)	(7,158,469)
Profit & Loss Account (As Per Annexed Accounts)		4,526,872	5,767,960
Total		<u>18,889,530</u>	<u>18,799,930</u>
Notes on Accounts	14		
Schedules 1 to 14 form part of Accounts			

As per our reports of even date

for GVRB & Associates

Chartered Accountants

G.V. Ramesh Babu

Proprietor

M.No. 25125

For and on behalf of the Board

D.V. Manohar

Chairman

D.V. Satya Kumar

Director

Place : Hyderabad

Date : 30.06.2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

		Year ended 31.03.2009	Year ended 31.03.2008
Income	SCH	RUPEES	RUPEES
Sales	8	588,140	
Other Income	9	6,117,795	6,671,639
Total		<u>6,705,935</u>	<u>6,671,639</u>
Expenditure			
Cost of Materials	10	566,303	
Administration Expenses	11	4,108,017	3,381,325
		<u>4,674,320</u>	<u>3,381,325</u>
Profit before Depreciation & Tax		2,031,615	3,290,314
Provision for Depreciation	4	576,322	596,096
Prior period expenses		-	135,239
Profit before tax		1,455,293	2,558,979
Less : Provision for Fringe Benefit Tax	12	7,020	6,516
Less : MAT Provisions	13	207,185	
Net Profit / (Loss) After Tax		1,241,088	2,552,463
Profit Brought Forward from Previsous year		(5,767,960)	(8,320,422)
Profit / Loss Carried over to Balance Sheet		<u>(4,526,872)</u>	<u>(5,767,960)</u>

As per our report of even date
for **GVRB & Associates**
Chartered Accountants
G.V. Ramesh Babu
Proprietor
M.No. 25125

For and on behalf of the Board

D.V. Manohar
Chairman

D.V. Satya Kumar
Director

Place : Hyderabad
Date : 30.06.2009

	31.03.2009 RUPEES	31.03.2008 RUPEES
Schedule 1 : Share Capital		
Authorised Capital :	<u>10,000,000</u>	<u>10,000,000</u>
100,000 Equity Shares of RS.100/- each		
Issued Subscribed, Called Up And Paid Up.	<u>3,210,000</u>	<u>3,210,000</u>
32100 Equity Shares of Rs.100/- each		
Schedule 2 : Reserves & Surplus		
Capital Reserve	<u>2,500,000</u>	<u>2,500,000</u>
TOTAL	<u><u>2,500,000</u></u>	<u><u>2,500,000</u></u>
Schedule 3 : Unsecured Loans		
Additional Security Deposit	<u>2,380,000</u>	<u>2,380,000</u>
Cylinder Floor Stock	<u>3,942,200</u>	<u>3,852,600</u>
Dealer Deposit	<u>3,248,500</u>	<u>3,248,500</u>
S.V.Deposit-Cylinders & Regulators	<u>3,608,829</u>	<u>3,608,830</u>
TOTAL	<u><u>13,179,529</u></u>	<u><u>13,089,930</u></u>
Schedule 5 : Current Assets		
Stock of Cylinders & Regulators	<u>2,558,776</u>	<u>2,866,776</u>
Sundry Debtors		
More than 6 Months	<u>1,002,764</u>	<u>2,334,329</u>
Cash at Bank	<u>2,336</u>	<u>22,685</u>
TOTAL	<u><u>3,563,876</u></u>	<u><u>5,223,790</u></u>
Schedule 6 : Loans & Advances		
Staff Advances	<u>6,181</u>	<u>11,547</u>
Advances Recoverable in cash or kind	<u>73,000</u>	<u>73,000</u>
Deposits	<u>341,812</u>	<u>359,883</u>
TOTAL	<u><u>420,993</u></u>	<u><u>444,430</u></u>
Schedule 7 : Current Liabilities & Provisions		
Sundry Creditors	<u>7,372,085</u>	<u>10,753,910</u>
For other Expenses	<u>614,242</u>	<u>822,778</u>
Advance from Others	<u>1,250,000</u>	<u>1,250,000</u>
TOTAL	<u><u>9,236,327</u></u>	<u><u>12,826,688</u></u>

SCHEDULE 4 : FIXED ASSETS					(Rupees)				
DESCRIPTION OF ASSET	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	AS AT 1.4.2008	ADDITIONS	DELETIONS/ ADJUSTMENTS	AS AT 31.3.2009	AS AT 1.4.2008	FOR THE YEAR	UPTO 31.3.2009	AS AT 31.3.2009	AS AT 31.3.2008
Buildings	4,352,818	-	-	4,352,818	1,867,488	145,384	2,012,872	2,339,946	2,485,329
Plant & Machinery	8,116,220	-	-	8,116,220	4,954,254	385,520	5,339,774	2,776,446	3,161,966
Electrical Installation	514,805	-	-	514,805	268,101	24,453	292,554	222,251	246,704
Vehicles	13,991	-	-	13,991	-	-	-	13,991	13,991
Office Equipments	332,098	-	-	332,098	330,851	1247	332,098	-	1,247
Furniture & Fixtures	311,493	-	-	311,493	195,478	19,718	215,196	96,297	116,016
Capital Work in Progress	14,165,185	-	-	14,165,185	-	-	-	14,165,185	14,165,185
Total	27,806,611	-	-	27,806,610	7,616,171	576,322	8,192,494	19,614,116	20,190,438
Previous Year	27,789,848	16,763	-	27,806,610	7,020,074	596,097	7,616,172	20,190,438	20,769,772

	31.03.2009 RUPEES	31.03.2008 RUPEES
Schedule 8 : Sales		
Sale of Packed LPG	588,140	-
Sale of Bulk LPG	-	-
TOTAL	588,140	-
Schedule 9 : Other Income		
Amounts waived by banks / Financial institutions	-	1,075,636
Miscellaneous Income	5,445,403	5,596,003
Sale of Cylinders	672,392	-
TOTAL	6,117,795	6,671,639
Schedule 10 : Consumption of Materials		
Opening Stock of LPG	-	-
Purchases	566,303	-
Less: Closing Stock	-	-
Consumption	566,303	-
Schedule 11 : Manufacturing, Administration And Other Expenses		
Wages, Salaries etc	895,053	789,323
Staff Welfare	110,141	109,573
Insurance	5,983	5,825
Rates & Taxes	47,495	90,237
Postage & Telephones	54,984	62,954
Printing & Stationery	7,106	23,107
Repairs & Maintenance - Plant & Machinery	189,115	258,356
Conveyance	26,781	30,752
Security charges	202,833	276,157
Electricity & Fuel	595,165	553,991
Office Expenses	25,900	79,982
Payment to Auditors:		
Audit Fees	20,000	20,000
For other services	10,000	10,000
Others	1,917,461	1,071,068
TOTAL	4,108,017	3,381,325
Schedule 12 : Provisions for FBT		
Fringe Benefit Tax	7,020	6,515
TOTAL	7,020	6,515
Schedule 13 : Provisions for MAT		
MAT Provision 2007-08	28,838	-
MAT Provision 2008-09	178,347	-
TOTAL	207,185	-

SCHEDULE : 14**14.I. SIGNIFICANT ACCOUNTING POLICIES****a. Basis of Accounting :**

The financial statements have been prepared under the Historical Cost Convention and are in accordance with the generally accepted Accounting Principles.

b. Fixed Assets :

Fixed Assets are stated at cost Less Accumulated Depreciation.

c. Depreciation :

Depreciation has been provided on Straight Line Method as per rates provided in Schedule XIV to the Companies Act, 1956 as per circular No. 14 Dated 20.12.1993 issued by department of Company Affairs.

d. Inventories:

LPG is valued at cost.

e. Sales are exclusive of sales taxes and net of returns.**14.II . NOTES OF ACCOUNTS**

1. Dealer deposit shows the amount of refundable deposit taken from the various dealers. The amount collected varies from party to party.
2. Balance confirmation is yet to be obtained from all Debtors and Creditors and loans and advances of the Company.
3. Interest on Term Loan obtained for expansion and Modernization works at the Bottling plant is under Deferred Revenue Expenditure, which would be written off in 5 years completion on the Modernization.
4. Quantitative particulars and Value of consumption of materials:
Annual Installed Capacity 12,000 MT.

Bottling of LPG

	2008 - 2009		2007 - 2008	
	Qty. in MTs	Value Rs. (in lacs)	Qty. in MTs	Value Rs. (in lacs)
ITEMS:				
a) Purchase				
Indigenous	10.91	5.66	0.00	0.00
b) Sales				
- Bottled	10.91	5.88	0.00	0.00
- Bulk	0.00	0.00	0.00	0.00
c) Opening Stock				
- Bottled	NIL	NIL	NIL	NIL
d) Closing Stocks				
- Bottled	NIL	NIL	NIL	NIL
5. Managerial Remuneration			NIL	NIL

6.	CIF value of imports		
-	Raw Materials		NIL
-	Stocks		NIL
-	Capital Equipment		NIL
7.	Expenditure in foreign currency		NIL
8.	Auditor's remuneration		
-	Audit fees	0.20	0.20
-	Tax Audit	0.10	0.10
9.	Previous figures have been regrouped / reclassified / restated wherever necessary to confirm with current year's presentation.		
10.	Amount have been rounded off to the nearest rupee		
11.	Others		NIL

SIGNATORIES TO SCHEDULES 1 TO 14

As per our report of even date

for and on behalf of the Board

For GVRB & ASSOCIATES
Chartered Accountants

(G.V. RAMESH BABU)

Proprietor

M.No.25125

Date : 30.06.2009

Place : HYDERABAD

D.V. MANOHAR

Chairman

D.V. SATYA KUMAR

Director

BALANCE SHEET ABSTRACT AND A COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

State Code

08

Registration No.

15122

Balance Sheet

31032009

Date

Date Month Year

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue

NIL

Rights Issue

NIL

Bonus Issue

NIL

Private Placement

NIL

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

Total Liabilities

000001889

Total Assets

000001889

Sources of Funds

Paid-up Capital

000003210

Reserves & Surplus

000002500

Secured Loans

000000000

Unsecured Loans

000013179

Application of Funds

Net Fixed Assets

000019614

Investments

NIL

Net Current Assets

(-) 000005251

Misc. Expenditure

NIL

Accumulated Losses

000004526

IV. Performance of Company (Amount in Rs. Thousands)

Turnover

000006705

Total Expenditure

000004674

Profit / Loss Before Tax

000001455

Profit / Loss After Tax

+ - 000001241

+ -
+ -

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

Earning per Share in Rs.

					0
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0 Ps

Dividend

NIL

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

L	I	Q	U	I	F	I	E	D	P	E	T	R	O	L	E	U	M
G	A	S															

Item Code No.

0	0	0	0	0	0	7	3	1	1
---	---	---	---	---	---	---	---	---	---

(ITC Code)

Product Description

L	P	G		C	Y	L	I	N	D	E	R	S					
---	---	---	--	---	---	---	---	---	---	---	---	---	--	--	--	--	--

Item Code No.

0	0	0	0	0	0	8	4	1	0
---	---	---	---	---	---	---	---	---	---

(ITC Code)

Product Description

L	P	G		R	E	G	U	L	A	T	O	R	S				
---	---	---	--	---	---	---	---	---	---	---	---	---	---	--	--	--	--

Our Report Attached
for **GVRB & Associates**
Chartered Accountants

For and on behalf of the Board

G.V. Ramesh Babu
Proprietor
M.No. 25125

D.V. Manohar
Chairman & Managing Director

D.V. Satya Kumar
Director

Place : Hyderabad

Date : 30.06.2009

SHRI SHAKTI LPG LIMITED

Venus Plaza, Adjacent to Old Airport, Begumpet, Hyderabad - 500 016

ATTENDANCE SLIP

Sixteenth Annual General Meeting on Monday, the 31st August, 2009 at 10:30 A.M.

Regd. Folio No. _____

DP ID* _____

Full Name of the Shareholder / Proxy attending the meeting

Client ID _____

(First Name)

(Second Name)

(Surname)

FIRST HOLDER / JOINT HOLDER / PROXY**
(Strike out whichever is not applicable)

FULL NAME OF FIRST HOLDER _____

(If Joint holder / Proxy attending)

(First Name)

(Second Name)

(Surname)

Signature of the Shareholder / Proxy _____

*Applicable for investors holding shares in electronic form

**Strike out whichever is not applicable

SHRI SHAKTI LPG LIMITED

Venus Plaza, Adjacent to Old Airport, Begumpet, Hyderabad - 500 016

PROXY FORM

I / We _____ of _____
in the State of _____ being a member / members of Shri Shakti LPG Ltd., hereby
appoint _____ of _____ in the State of _____
_____ or failing him / her _____ of _____
_____ in the State of _____ as my / our proxy to
vote for me / us and on my / our behalf at the 16th Annual General Meeting to be held on Monday,
the 31st August, 2009 at 10:30 A.M. at Hari Hara Kala Bhavan, S.P. Road, Secunderabad and at any
adjourned meeting hereof.

As witness my / our hand / hands is / are affixed this _____ day of _____ 2009.
(date) (month)

Regd. Folio No. _____ Signature _____

DP ID _____

Client ID _____

Affix
Re.1.00
Revenue
Stamp

- Note : 1. The Proxy need not be a member of the Company
2. The proxy form duly signed across Revenue Stamp should reach the Company's Registered Office atleast
48 hours before the time of the meeting.

PRINTED MATTER

BOOK - POST

If Undelivered, please return to :

SHRI SHAKTI LPG LIMITED

Venus Plaza,

Adjacent to Old Airport, Begumpet,

Hyderabad - 500 016 (A.P.)

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