

TWENTY THIRD ANNUAL REPORT

2008 - 2009

BASIL INFRASTRUCTURE PROJECTS LIMITED

[Formerly known as VBC Finance & Leasing Limited]

Registered Office:

6-2-913/914, Sixth Floor, Progressive Towers,
Khairatabad, Hyderabad – 500 004

Tel: 91 40 23331234/35, Fax: 040-23331244/55

E-mail: vbcflcs@gmail.com

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TWENTY THIRD ANNUAL GENERAL MEETING

Date : 29th September 2009
Day : Tuesday
Time : 3.00 PM
Place : J.S.K Hall
FAPCCI, 11-6-841, Red Hills
Hyderabad – 500 004

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Progressive Towers, Khairatabad,
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Tel: 91 40 23331234/35, Fax: 040-23331244/55
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BOARD OF DIRECTORS

Ms. M.Srimani	Managing Director
Mr. M.S.Rama Rao	Director
Mr. C.Madhusudan	Director
Mr. Ch.Srihari	Director
Mr. L.N.Sharma	Director
Mr. B.Gopala	Director

COMPANY SECRETARY

Ms. S. P. Hima Bindu	Company Secretary & Compliance Officer
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AUDITORS

M/s. BRAHMAYYA & CO.
Chartered Accountants
10-50-24, Siripuram,
Visakhapatnam- 530 003

BANKERS

- 1.State Bank of India, Khairatabad Branch
- 2.ICICI Bank, Khairatabad Branch
- 3.Kotak Mahindra Bank Limited, Madhapur Branch

SHARE TRANSFER AGENTS :

(Physical & Demat)

VENTURE CAPITAL & CORPORATE INVESTMENTS PVT. LTD.

12-10-167, Bharat Nagar,
Hyderabad - 500 018.
Tel: 040-23818475/76, 23868023
Fax: 040-23868024
E-mail: info@vccilindia.com

Note :As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to kindly bring their copies to the Meeting.

NOTICE OF THE 23rd ANNUAL GENERAL MEETING

Notice is hereby given that 23rd Annual General Meeting of Members of Basil Infrastructure Projects Limited, will be held on Tuesday, the 29th September, 2009 at 3.00 PM at J.S.K Hall of the Federation of Andhra Pradesh Chamber of Commerce & Industry situated at 11-6-841, Red Hills, Hyderabad -500 004 to consider the following:-

ORDINARY BUSINESS:

- (1) To consider and adopt the audited balance sheet as on 31st March 2009 and the Profit and Loss Account for the period ended on that date and the reports of Directors and Auditors thereon.
- (2) To appoint a Director in place of Mr. L N Sharma, Director who retires by rotation and being eligible, offers himself for reappointment.
- (3) To appoint M/s. Brahmayya & Co. Chartered Accountants as Auditors for the financial year 2009-2010, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

Special Business:**(4) Fund raising through Equity Issuance:**

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED that in terms of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with the provisions of the Articles of Association of the company and the listing agreement entered into by the company with the stock exchanges where the shares of the company are listed, and subject to the conditions as may be imposed by the Securities and Exchange Board of India (SEBI), Government of India, Reserve Bank of India, Registrar of Companies and /or any other authorities, and subject to the approvals, permissions and sanctions of the concerned authorities as may be necessary, and subject to such conditions and modifications as may be prescribed in granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the company including any committee constituted thereof (hereinafter called the Board), at its sole discretion, the consent of the company be and is hereby accorded to the Board to create, offer and issue the equity shares of the company, by way of Rights Issue and / or Public Issue and / or Private Placement and / or against subscription in foreign / Indian currency, through prospectus and / or offering circular / letter, to resident or persons resident outside India including Foreign Institutional Investors / Qualified Institutional Buyers / Companies / Individuals in India and abroad as may be permitted under applicable laws, rules & regulations and policy whether or not they are members of the Company in such form and terms, including as to pricing, the ratio in which such equity shares may be offered, issued and allotted to the existing shareholders and / or others, the number of securities to be issued, the amount of securities premium, fixing of record date or book closure and other related or incidental matters, such number of equity shares of the company of the face value of Rs. 10/- each as may be required, for subscription in cash and at such premium per share as may be determined by the Board prior to the issue and offer thereof and ranking pari passu with the existing equity shares of the

company, save and except that such new equity shares shall only be entitled to pro – rata dividend for the financial year in which they are allotted, proportionate to the capital for the time being and from time to time paid thereon and to the period and periods for which such capital shall have been paid up respectively.

“RESOLVED FURTHER that the offer of equity shares on right basis shall be subject to the following terms and conditions and such other terms and conditions as may be necessary or stipulated in the Letter Of Offer:

- a. The offer shall be made in the first instance to all existing shareholders of the Company whose names appear in the Register of Members on the record date fixed by the Board for this purpose
- b. The shareholders to whom new equity shares are offered shall be entitled to apply for additional shares provided that a shareholder who has renounced his right in whole or in part shall not be entitled to allotment of additional shares
- c. The offer of rights shall include a right to renounce the shares in favour of any other person(s) provided such renunciation is made before closing of the offer, subject to the right of the Board to refuse allotment to a person, not being a shareholder of the Company, without assigning any reason. The shareholders shall be entitled to apply for additional shares in their own names provided that such shareholders have subscribed to their ‘Right Entitlement’ in full
- d. Renouncee may also apply for additional shares in their own names provided that the shareholders who were first offered shares have renounced their entire entitlement to the renouncees and the renouncees have accepted all the shares renounced in their favour. Renouncee will be entitled to be allotted to additional shares only if there is any surplus after allotment to the extent of right entitlement exercised, additional shares applied by the shareholders of the company
- e. The allotment of additional shares referred above shall be at the discretion of the Board and in consultation with the Stock Exchange(s), on an equitable basis.
- f. The allotment of the new equity shares to Non – Residents/Overseas Corporate Bodies/ Foreign Institutional Investors will be subject to the approval of Government of India and/or Reserve Bank of India, if necessary
- g. If any shares offered as “Rights” to the shareholders still remain un – subscribed, the Board shall have full discretion and absolute authority to offer them to whomsoever they may deem fit.

RESOLVED FURTHER THAT in case of any over subscription of the issue, the Board be and is hereby authorised to retain such of the amount, and issue & allot such securities as may be permitted in accordance with the applicable laws, rules & provisions in consultations with concerned authorities including Stock Exchanges.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper and desirable and to settle any question, difficulty or doubts that may arise in regard to the offer, issue, allotment and utilization of the proceeds of the right issue including power to decide, accept, agree to any alteration in the size of the issue, the price of the shares to be issued or such other terms and conditions of the said issue as may be suggested or decided in consultation with the Lead Manager/SEBI or other concerned authorities and applicable guidelines from time to time and further to

BASIL INFRASTRUCTURE PROJECTS LIMITED**2008-2009**

do all such acts, deeds, matters and things and to effect any modification to the foregoing in the best interest of the company and its shareholders and to execute all such writings and instruments as the Board may in its absolute discretion deem necessary or desirable."

(5) To increase the authorised share capital and alteration of the Memorandum of Association and Articles of Association of the company

To consider and if thought fit pass with or without modification, the following resolution as Special Resolution

"RESOLVED THAT pursuant to the provisions of section 16, 94 of the Companies Act, 1956, and other applicable provisions, if any, the authorised share capital of the company be and is hereby increased from Rs 10,00,00,000/- (rupees ten crore only) divided into 1,00,00,000 equity shares of Rs. 10/-each to Rs 30,00,00,000/- (rupees thirty crore only) divided into 3,00,00,000 (three crore) equity shares of Rs 10/- each and with a power to the Board to decide on the extent of variation in such rights and to classify and re-classify from time to time such shares into any class of shares.

RESOLVED FURTHER THAT the existing clause V of the Memorandum of Association as to share capital be and is hereby deleted and in its place the following clause V be substituted:

"The authorised share capital of the company is Rs. 30,00,00,000/-(Rupees thirty crore only) divided into 3,00,00,000 (Three crore) equity shares of Rs 10/- each with the power to the Company to consolidate, convert, sub-divide, reduce or increase the capital and to issue any new shares with any preferential or special rights and conditions attached thereto subject to the provisions of the Companies Act, 1956."

RESOLVED FURTHER THAT the existing clause 4 of the Articles of Association as to share capital be and is hereby deleted and in its place the following clause 4 be substituted:

"The authorised share capital of the company is Rs. 30,00,00,000/-(Rupees thirty crore only) divided into 3,00,00,000 (Three crore) equity shares of Rs 10/- each"

RESOLVED FURTHER THAT Mr. L N Sharma, Director of the Company be and is hereby authorized to file Form No-5 with the Registrar of Companies, Andhra Pradesh and to do all such acts and deeds as may be necessary for giving effect to this resolution."

**By order of the Board
for Basil Infrastructure Projects Limited
Sd/-**

**S P Hima Bindu
Company Secretary**

**Place: Hyderabad
Date : 24.08.2009**

BASIL INFRASTRUCTURE PROJECTS LIMITED**2008-2009**

NOTES:-

1. Any member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself or herself and such proxy need not be a member of the company. In order to be effective the proxies should be deposited with the company at its registered office not less than **48 hours** before the meeting. A form of proxy is given at the end of this Annual Report.
2. Explanatory Statement in respect of item No.s 5 & 6 of the Notice is annexed hereto in pursuance of Section 173(2) of the Companies Act, 1956.
3. The Register of Members and Share Transfer Books of the Company will be closed from 25th September, 2009 to 29th September 2009 (both days inclusive)
4. Members who wish to seek any further information / clarification, at the meeting, on the annual accounts or operations of the Company are requested to send their queries at least a week in advance of the date of the Meeting, to the Registered Office of the Company.
5. Members are requested to intimate any change in their address to the company immediately.
6. Members who attend the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
7. Members who have multiple folios in identical names or joint accounts in the same order are requested to intimate the Company's Registrars and Share Transfer Agents, at the aforesaid address, the ledger folios of such accounts to enable the Company to consolidate all such shareholdings into one account.
8. The members of a Company are allowed to nominate any person to whom the shares shall be transmitted in the event of member's death. Members are advised to contact the Company to avail this facility.
9. Members are requested to bring their copies of Annual Reports at the time of attending the meeting.

By order of the Board**for Basil Infrastructure Projects Limited****Place: Hyderabad****Date : 24.08.2009**

Sd/-

**S P Hima Bindu
Company Secretary**

EXPLANATORY STATEMENT
(Pursuant to Section. 173(2) of Companies Act, 1956)

Item No.5

As the members are aware that your company has set up a joint venture Company , Golden Jubilee Hotels Limited for the construction of "Trident "& "The Oberoi" two hotel projects at Shilpakalavedika, Madhapur, Hyderabad, Andhra Pradesh.

The proposed hotel projects is to be implemented by a Special Purpose Vehicle Company viz., Golden Jubilee Hotels Ltd. The project has been awarded by Youth Advancement, Tourism and Cultural (PMU) Department, Government of Andhra Pradesh on BOT basis and is a Private, Public Participation (PPP) project.

The estimated cost of the project is at Rs.584 Crores and is proposed to be financed in the form of debt and equity. Your company proposes to hold a minimum of 26% of the total equity in the envisaged project. Your company has already invested an around 8.05 crores in the equity of Golden Jubilee Hotels Ltd directly and through the holding company. For the aforesaid equity contribution of the Company in the SPV Company, the Company proposes to raise the funds by issue of equity.

The Board of Directors recommends the proposed resolution for acceptance by the Members

The Directors are interested to the extent of their shareholding in the Company.

Item No-6

In continuation to the above item, on the fund raising exercise of the Company, the Authorised share capital of the Company needs to be enhanced to accommodate the equity issue.

As per the provisions of Section 94(1)(a) of the Companies Act, 1956 the proposed increase of the authorised share capital of the company requires approval of members. Consequent upon the increase in authorised share capital, the company's Memorandum of Association will require alteration so as to reflect the increase in authorised share capital.

Your directors therefore commend the aforesaid resolutions for your approval. None of the Directors of the Company are concerned or interested in this resolution.

BASIL INFRASTRUCTURE PROJECTS LIMITED**2008-2009****DIRECTORS' REPORT**

Dear Shareholders,

Your Directors are pleased to present their report for the financial year 2008-09.

The financial highlights **of the Company for the year are as under:**

	2008-09	2007-08
Gross Profit before Interest and Depreciation	52.47	78.67
Less: Interest	0.65	1.20
Depreciation	20.86	23.64
Profit after Interest and Depreciation	30.96	53.83
Less: Provision for Taxation	14.49	19.85
Balance after Total Provisions	16.47	33.98
Less: Income Tax paid for earlier years	22.50	13.88
Add: Profit/(Loss) brought forward from Previous year	184.92	164.82
Balance of Profit carried over to next year	178.89	184.92

REVIEW OF OPERATIONS:

Your Company has earned a Gross Revenue of Rs.125 Lakhs during the previous year. The Company has earned Rs.54.00 Lakhs from the Project Management and consultancy services rendered by the Company to its associate hotel projects.

FUTURE PROSPECTS:

The Company is presently exploring various opportunities to develop hotel projects under Public Private Participation (PPP) mode in collaboration with other developers in India. Looking into the opportunities available, your Company will soon enter into a development program for a Greenfield hotel project in Hyderabad for which foreign collaboration is under negotiation in a separate Project Company. Looking into the market conditions, it is anticipated that the Company will start the development work by the second half of the current financial year.

In view of the slow down in the economy and postponement of Project execution by the Project owning Companies, the Company has temporarily discontinued the Project Management and Coordination services.

JOINT VENTURE:

Golden Jubilee Hotels Limited, a joint venture between the Company, Maha Hotel Projects Limited and EIH Limited for the implementation of the Two Hotel Projects at Shilpakalavedika, Madhapur, Hyderabad. The Government has allotted an additional land plot adjacent to the site admeasuring 2913 sq. mtrs for the use of hotel project on lease basis which would be treated as "part and parcel" of the existing land plot. The approvals/ clearances as required from various authorities for the implementation of the projects have also been received.

The Project Company has commenced the construction of the Project "Trident" in Jan 2009, presently completed casting of second slab (81 level – Road level) and work at "The Oberoi" will commence by September, 2009 as excavation work going on at site is