

TWENTY FIFTH ANNUAL REPORT

2010 - 2011

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 FIFTH ANNUAL GENERAL MEETING

Date : 29th September 2011
Day : Thursday
Time : 11.00 a.m.
Place : J.S.K Hall
FAPCCI, 11-6-841, Red Hills
Hyderabad – 500 004

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

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 |
|-----------------------------|---|

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 25th ANNUAL GENERAL MEETING

Notice is hereby given that 25th Annual General Meeting of Members of Basil Infrastructure Projects Limited, will be held on Thursday the 29th September, 2011 at 11.00 AM 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 2011 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. M S P Rama Rao, Director who retires by rotation and being eligible, offers himself for reappointment.
- (3) To appoint M/s. Brahmayya & Co. Chartered Accountants (Firm Regn. No. 000513S) as Auditors for the financial year 2011-2012, 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. To consider and, if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309,310 and other applicable provisions of the Companies Act, 1956 if any read with Schedule XIII of the Companies Act, 1956 or any amendment or modification thereto and in accordance with Articles of Association of the Company, Mrs. M.Srimani be and is hereby appointed as Managing Director of the Company for a period of 5 years with effect from 1.04.2011 on the following terms and conditions:

Remuneration:

I. **Salary** : **Rs.75,000 /- per month**

II. **Perquisite** :

❖ **House Rent Allowance:**

The Managing Director to be provided a fully furnished accommodation or alternatively be paid a sum not exceeding 20% of salary towards the same.

❖ **Medical Reimbursement:**

Expenses incurred by the Managing Director and her family subject to a ceiling of one month salary in a year or three month salary in a block of three years. 'Family' for the purpose of this resolution means spouse, dependent children and parents.

❖ **Leave Travel Concession:**

For the Managing Director and her family once in a year in accordance with the rules as specified by the Company.

❖ **Club Fees:**

Fees of clubs subject to a maximum of two clubs towards membership fees during the Tenure of office.

❖ **Car:**

Managing Director to be Provided Chauffeur driven Company Car for official use.

❖ **Telephone:**

Telephone to be provided at the Managing Director's residence for official use.
Personal long distance calls shall be billed by the Company to the Managing Director.

FURTHER RESOLVED THAT in the event of no Profits / inadequate Profits, the Managing Director Shall be entitled to receive the above remuneration, Subject to the limits as Specified in Section II of Part II of schedule XIII to the Companies Act, 1956.

FURTHER RESOLVED that for the purpose of giving effect to this resolution, Mr M S P Rama Rao and /or Mr. L N Sharma, Directors of the Company be authorised to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

By order of the Board

Place: Hyderabad

Date : 30.05.2011

**S P Hima Bindu
Company Secretary**

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. 4 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 26th September, 2011 to 29th September 2011 (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. 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

Place: Hyderabad

Date : 30.05.2011

**S P Hima Bindu
Company Secretary**

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

Item No. 4

Mrs. M.Srimani was appointed as a Whole time Director of the Company w.e.f 1st April 2001 at the Board meeting held on the 30th March, 2001 for a period of five years and later re-appointed for another term of five years w.e.f 1st April, 2006 and the same was approved by the members at their 20th Annual General Meeting. She is a Graduate in Commerce and having multifunctional experience of over 10 years. She is aged about 43 years.

Her term as the Managing director has expired on 31st March, 2011, consequently she has been appointed as the Managing Director on 1st April, 2011 at the meeting of the Board of Directors at a remuneration approved by the Remuneration Committee.

None of the Directors other than Mr. MSP. Rama Rao and Mrs.Srimani are interested in this resolution.

Your Directors therefore recommend for the approval of the Resolution.

By order of the Board

Place: Hyderabad
Date : 30.05.2011

S P Hima Bindu
Company Secretary

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present their report for the financial year 2010-11.

The financial highlights of the Company for the year are as under: (Rs. in Lakhs)

| | 2010-11 | 2009-10 |
|--|----------------|----------------|
| Gross Profit before Interest and Depreciation | 41.71 | 21.77 |
| Less: Interest | 0.28 | 1.34 |
| Depreciation | 15.58 | 17.01 |
| Profit after Interest and Depreciation | 25.85 | 3.42 |
| Less: Provision for Taxation | 12.00 | 11.60 |
| Balance after Total Provisions | 13.85 | (8.18) |
| Excess/(Short) provision of Income Tax for earlier years | 10.19 | 1.09 |
| Add: Profit/(Loss) brought forward from Previous year | 171.80 | 178.89 |
| Balance of Profit carried over to next year | 195.84 | 171.80 |

REVIEW OF OPERATIONS:

Your Company has earned a Gross Revenue of around Rs 78.92 Lakhs during the previous year.

FUTURE PROSPECTS:

Your Company has participated in the Joint Venture as FSCM for setting up two hotel Projects in Hyderabad and the hotel Projects are in the Construction stage. The Company is required to raise capital for the equity contribution of the Company in the hotel projects.

Your Company is also exploring various opportunities to develop infrastructure and hotel projects under Public Private Participation (PPP) mode in collaboration with other developers in India. Looking into the market conditions, it is anticipated that the Company will start the development work in the financial year.

PROJECT STATUS OF JOINT VENTURE:

Golden Jubilee Hotels Limited a joint venture Company incorporated for the development of two prestigious hotel projects namely "Trident" and "The Oberoi" near Shilpakaavedika, Madhapur, Hyderabad. The approvals/ clearances as required from various authorities for the implementation of the projects have also been received.

Your Directors are pleased to report that almost 90% of the civil construction work on the Trident project has been completed with considerable progress on the procurement and installation of the Plant & Equipment. Simultaneously, the finishing work has also commenced with finalization of all the interior design development work with review and approval of the Mockup Rooms during the year. The civil work on "The Oberoi" nearly 55% of the total "core and shell" has been completed. All contracts for the MEP Services have been awarded and the design development work of various consultants including the interior design is in progress.

DEPOSITS:

The Company has not accepted any deposits during the year under review. The Company has repaid all unclaimed Deposits and has no liability towards deposit accounts.

DIVIDEND:

Having regard to the significant capital expenditure envisaged for the hotel project, your Directors have decided to augment long term resources, therefore no dividend is recommend for the year.

PERSONNEL:

As per the provisions of section 217(2a) read with COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975, none of the employee of the company is in receipt of remuneration exceeding Rs.60 Lakhs per annum or Rs. 5,00,000/- per month.

DIRECTORS:

In accordance with provisions of Section 256 of the Companies Act, 1956 and clause 105-B of the Articles of Association of the company, Mr. M S P Rama Rao is liable to retire by rotation and being eligible, offer himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 217(2AA) of the Companies Act, 1956, your directors confirm having:

- (i) Followed the applicable accounting standards with proper explanation relating to material departures in preparation of the Annual Accounts;
- (ii) Selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year 2010-11 and of the profit of the Company for that period;
- (iii) 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; and
- (iv) Prepared the Annual Accounts on a going-concern basis.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, for the year ended March 31, 2011 :

(A) Conservation of Energy:

The Company for the time being is not energy intensive. However, energy conservation is a priority area for the Company.

(B) Technology Absorption: NIL**(C) Foreign Exchange Earnings & Outgo:**

The foreign exchange outflows on account of travel during the year was Rs.25,100 and outflow was nil.

FINANCIAL STATEMENTS

In support of the green initiative of the Ministry of Corporate Affairs, the Company has decided to send all future communications including the annual report through email to those shareholders, who have registered their e-mail id with their depository participant/ Company's registrar and share transfer agent. In case a shareholder wishes to receive a printed copy of such communications, he/she may please send a request to the Company, which will send a printed copy of the communication to the shareholder.
