

TWENTY FOURTH ANNUAL REPORT

2009 - 2010

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BASIL INFRASTRUCTURE PROJECTS LIMITED

[Formerly known as VBC Finance & Leasing Limited]

INCORPORATED IN INDIA

REGD. OFFICE: 6-2-913/914, Progressive Towers

Khairatabad, Hyderabad - 500 004

Hyderabad - 500 004

Registered Office:

6-2-913/914, Sixth Floor,

Progressive Towers

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 FOURTH ANNUAL GENERAL MEETING

Date : 30th September 2010
Day : Thursday
Time : 11.30 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
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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 24th ANNUAL GENERAL MEETING

Notice is hereby given that 24th Annual General Meeting of Members of Basil Infrastructure Projects Limited, will be held on Thursday the 30th September, 2010 at 11.30 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 2010 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. B Gopala, 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) To authorize the Board of Directors to mortgage the Company's properties upto Rs. 200.00 Crores under section 293(1)(a) of the Companies Act, 1956.

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

"RESOLVED THAT in supersession of resolution No-5 passed in the Annual General Meeting of the Company held on 28th September, 2007 the consent of the Company be and is hereby accorded in terms of section 293(1)(a) of the Companies Act, 1956 and other applicable provisions, if any, to mortgage /charge /hypothecation by the Board of Directors of the company of all or any of the immovable and movable properties of the company, wherever situate, both present and future or the whole or substantially the whole of the undertaking or undertakings of the company in such form and in such manner as the Board of Directors may think fit together with power to take over the management of the business and concern of the company in certain events for securing any loans and/or advances already obtained or that may be obtained from any Financial Institutions/Banks/Insurance companies or person or persons subject to a overall limit of Rs. 200.00 crores (Rupees Two hundred crores only)."

RESOLVED FURTHER THAT the Board be and is hereby authorised to execute necessary documents for creating the aforesaid mortgage and/or charge and to do all such acts, deeds and things as may at its discretion deem necessary or desirable and incidental for giving effect to the above resolution.

(5) Borrowing Powers:

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

"RESOLVED THAT in supersession of resolution No-6 passed in the Annual General Meeting of the Company held on 28th September, 2007 the consent of the Company be and is hereby accorded in terms of section 293(1)(d) of the Companies Act, 1956 and other applicable provisions, if any, to the Board of Directors of the Company for borrowing from time to time any sum or sums of moneys on such terms and conditions

and with or without security as the Board of Directors may think fit which, together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/moneys so borrowed by the Board shall not at any time exceed the limit of Rs.200.00 crores (Rupees two hundred crores only)."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds and things as may be necessary, desirable or expedient to give effect to this Resolution."

By order of the Board
Sd/-

S P Hima Bindu
Company Secretary

Place: Hyderabad

Date : 29.05.2010

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 4 & 5 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, 2010 to 30th September 2010 (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. As per the recent amendment to the Companies Act, 1956, 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
Sd/-

S P Hima Bindu
Company Secretary

Place: Hyderabad

Date : 29.05.2010

EXPLANATORY STATEMENT**(Pursuant to Section 173(2) of Companies Act, 1956)****Item No. 4 & 5**

The Shareholders of the Company had at the 21st Annual General Meeting held on September, 28, 2007 approved, inter alia, borrowings in terms of Section 293(1)(d) and consent under 293(1)(a) of the Companies Act, 1956, upto Rs. 50 crore.

Your Company may be required to borrow funds from Financial Institutions to meet the long term financial requirements of the Company for the development of the Hotel Projects under the prestigious brand of Hilton Group, Trident and Oberoi. With the increasing business opportunities and future growth plans of the Company, would necessitate restructuring of the borrowing limits by authorising the Board of Directors to borrow monies which may exceed at any time the aggregate of the paid-up capital of the Company and its free reserves. The Directors while exercising their powers shall however observe the debt/equity norms as applicable.

To secure the loans borrowed / guarantees given, the Company may be called upon to provide security by creating charge on its movable and immovable properties. In terms of Section 293(1) (a) of the Companies Act, 1956, it is necessary for the Company to obtain approval of the Members before creation of the mortgage / charge / hypothecation in favour of the lending agencies.

To borrow any money together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeding the aggregate of the paid -up capital of the Company and its free reserves, it is necessary for the Company as per the section 293(1)(d) of the Companies Act, 1956 to obtain prior approval of the Members to borrow money from Banks / financial Institutions or any other lending agencies as Term Loan or Debenture issue etc. as it necessitates.

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

None of the Directors of the Company are interested in the proposed resolutions.

By order of the Board**Sd/-****S P Hima Bindu****Company Secretary****Place: Hyderabad****Date: 29.05.2010**

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present their report for the financial year 2009-10.

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

	2009-10	2008-09
Gross Profit before Interest and Depreciation	21.77	52.47
Less: Interest	1.34	0.65
Depreciation	17.01	20.86
Profit after Interest and Depreciation	3.42	30.96
Less: Provision for Taxation	11.60	14.49
Balance after Total Provisions	(8.18)	16.47
Less: Income Tax paid for earlier years	1.09	22.50
Add: Profit/(Loss) brought forward from Previous year	178.89	184.92
Balance of Profit carried over to next year	171.80	178.89

REVIEW OF OPERATIONS:

Your Company has earned a Gross Revenue of Rs.80.01 Lakhs during the previous year. The reduction in the revenue was due to the temporarily discontinuity of the Project Management and Coordination services by the Company.

FUTURE PROSPECTS:

Your Company is 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 by the second half of the current financial year.

Your Company is engaged in setting up two hotel Projects in Hyderabad and the Company has already obtained your permission for a rights issue of equity shares to raise required capital for the equity contribution of the Company in the hotel projects.

JOINT VENTURE:

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

The excavation work has been 100% completed with substantial progress registered on the civil work for "Trident" project. The civil work on "The Oberoi" site also commenced during August, 2009 and is fast progressing. Further, during the year the SPV Company has awarded contracts to various contractions in relation to Elevators, Plumbing and Fire Fighting, Sewerage Treatment Plant, Electrical Installation and HVAC.

Considering the nature of the project and its complexity, the progress achieved is satisfactory and is as per schedule. It is projected that the "Trident" project will commence commercial operation by September - December 2011 followed by "The Oberoi" by June, 2012.

BASIL INFRASTRUCTURE PROJECTS LIMITED 2009-2010

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 financial year 2009-10.

PERSONNEL:

There are no employees, who have been paid remuneration / salaries and allowance during the year under review, exceeding the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

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. B. Gopala 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 2009-10 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, 2010:

(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.40,166 and outflow was nil.

DEMATERIALIZATION OF SHARES:

Trading of securities of our Company has been made compulsorily in dematerialized form with effect from 30th April 2001 and is available for trading under both the Depository Systems in India - NSDL (National Securities Depository Limited) and CDSL (Central Depository Services Limited). Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE465D01011.

AUDITORS:

M/s.Brahmayya & Co., Chartered Accountants retire as Auditors and being eligible offer themselves for reappointment. Board of Directors recommend for their re-appointment.

PARTICULARS OF EMPLOYEES:

None of the employees were in receipt of remuneration in excess of limits specified in Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

STOCK EXCHANGE LISTING:

The Equity shares of the Company are listed on the Stock Exchanges at Mumbai and Madras. The Company has paid the Annual Listing fees for the year 2010-11.

ACKNOWLEDGEMENTS:

Your Directors' gratefully acknowledge the continued support being received from all investors, customers, banks, and as well as regulatory and government authorities in the initiatives of the Company. Your Directors' place on record their appreciation and gratitude for the valuable contributions made by the employees at all levels and look forward for their continued support.

For and on behalf of the Board of Directors

Sd/-

M.SRIMANI

Managing Director

Sd/-

L.N.SHARMA

Director

Place: Hyderabad

Date: 2.06.2010

Distribution of Holdings as on 31st March 2010

NOMINAL VALUE		HOLDERS		AMOUNT	
		Number	% of Total	In Rs.	% of Total
Upto	500	2125	90.89	2622320	9.18
501	1000	83	3.55	717030	2.51
1001	2000	29	1.24	467100	1.63
2001	3000	23	0.98	568010	1.99
3001	4000	7	0.29	249200	0.87
4001	5000	28	1.19	1394000	4.88
5001	10000	7	0.29	523210	1.83
10001	and above	36	1.54	22000540	77.08
TOTAL		2338	100	2854141	100.00

AUDITORS' REPORT

TO:
THE MEMBERS OF
BASIL INFRASTRUCTURE PROJECTS LIMITED
HYDERABAD.

1. We have audited the attached Balance sheet of M/s Basil Infrastructure Projects Limited, Hyderabad as at 31st March, 2010, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. 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.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. These 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.
3. As required by the companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the Act) and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to 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 purposes 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 such books.
 - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - d) In our opinion the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub section (3c) of section 211 of the Companies Act, 1956.
 - e) In our opinion and to the best of our information and according to the explanations given to us the said accounts give 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:

- I) In the case of the Balance Sheet of the state of affairs of the company as at 31st March, 2010.
 - II) In the case of the Profit and Loss account, of the profit for the year ended on that date.
 - III) In case of the cash flow statement, of the cash flows for the year ended on that date.
- f) On the basis of written representations received from the Directors as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For BRAHMAYYA & CO
Chartered Accountants

Sd/-

(C.V. Ramana Rao)

Partner

Place: Visakhapatnam

Membership No: 018545

Date: 03.06.2010

ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE:

- 1.1 The company has maintained proper records showing full particulars including the quantitative details and situation of the fixed assets.
- 1.2 All the fixed assets have been physically verified by the management during the year. According to the information furnished to us, no material discrepancies have been noticed on such verification.
- 1.3 During the year, the company has not disposed off any of its fixed assets.
2. The Company does not own any inventory. Accordingly clause 4(ii) of the order is not applicable.
- 3.1 The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly clauses 4(iii) (b), (c) and (d) of paragraph 4 of the order are not applicable.
- 3.2 The Company has not taken unsecured loans from companies covered in the register maintained under section 301 of the company. Accordingly clauses 4(iv) (b) and (d) of paragraph 4 of the order are not applicable.
4. There are adequate internal control systems commensurate with the size of the company the nature of its business and for the sale of services. We have not come across any continuing major weaknesses, which are to be corrected.
- 5.1 According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been so entered.
- 5.2 The transactions made during the year in pursuance of such contracts or arrangements have been made at prices which are reasonable having regards to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from public. Accordingly clause 4(vi) of the order is not applicable.
7. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
8. According to the information and explanations given to us, maintenance of cost records by the company is not required under the provisions of section 209(1) (d) of the Companies act, 1956, in respect of the business activities carried out by the company.
- 9.1 According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including investor education and protection fund, Income-tax, sales-tax wealth-tax service tax and other material statutory dues applicable to it.

- 9.2 As at 31st March, 2010 there have been no disputed dues, which have not been deposited with the respective authorities in respect of, Income-tax, Wealth-tax, service tax, excise duty, customs duty and cess.
10. The Company has no accumulated losses and has not incurred cash loss during the financial year covered by our audit and immediately preceding financial year.
11. The Company has neither taken any loans from a financial institution or a bank nor issued any debentures. Accordingly clause 4(xi) of the order is not applicable.
12. The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures, and other securities. Accordingly clause 4(xii) of the order is not applicable.
13. In our opinion, the company is not a chit fund or a Nidhi / mutual benefit fund/ society. Accordingly clause 4(xiii) of the order is not applicable.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other instruments, Accordingly clause 4(xiv) of the order is not applicable.
15. The company has not given any guarantees for loans taken by others from banks or Financial Institutions, Accordingly clause 4(xv) of the order is not applicable.
16. The company has not obtained any term loans. Accordingly clause 4(xvi) of the order is not applicable.
17. According to the information and explanations given to us and on overall examination of the Balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
18. During the year, the company has not made any allotment of shares. Accordingly clause 4(xviii) of the order is not applicable.
19. The company has not issued any debentures so far. Accordingly clause (xiv) of the order is not applicable.
20. During the year, the company has not raised money by public issue. Accordingly clause 4 (xx) of the order is not applicable.
21. According to the information and explanations given to us no fraud on or by the company has been noticed or reported during the course of our audit.

For BRAHMAYYA & CO
Chartered Accountants

Sd/-

(C.V. Ramana Rao)
Partner

Place: Visakhapatnam

Membership No.018545

Date: 03.06.2010

BASIL INFRASTRUCTURE PROJECTS LIMITED 2009-2010

BALANCE SHEET AS AT 31st MARCH 2010

Particulars	Sch. No	As at 31-03-2010 (Rupees)	As at 31-3-2009 (Rupees)
I. Sources of Funds:			
1) Shareholders' Funds:			
a) Share Capital	1	28,541,410	28,541,410
b) Reserves & Surplus	2	25,457,023	26,165,984
2) Loan Funds:			
a) Secured Loans	3	-	64,723
		574,180	574,180
3) Deferred Tax Liability			
		-	-
Total		54,572,613	55,346,297
II. Application of Funds:			
1) Fixed Assets:			
a) Gross Block	4	40,019,006	40,019,006
b) Less: Depreciation		12,968,019	11,266,841
c) Net block		27,050,987	28,752,165
2) Investments:	5	116,432,650	116,432,650
3) Current Assets, Loans & Advances:			
a) Sundry Debtors	6	10,713,658	8,912,253
b) Cash & Bank Balances	7	132,350	1,508,323
c) Loans & Advances	8	16,336,418	14,846,293
		27,182,426	25,266,869
Less: Current Liabilities & Provisions:			
Current Liabilities	9	114,540,855	113,639,190
Provisions	10	1,552,595	1,466,197
		116,093,450	115,105,387
Net Current Assets		(88,911,024)	(89,838,518)
Total		54,572,613	55,346,297

Significant Accounting Policies and

Notes on Accounts

As per our report of even date

for **BRAHMAYYA & CO,**
Chartered Accountants

For and on behalf of the Board

Sd/-

Sd/-

Sd/-

Sd/-

C.V.Ramana Rao

M. Srimani

L.N.Sharma

S.P.Hima Bindu

Partner

Managing Director

Director

Company Secretary

Membership No. 018545

Place: Visakhapatnam
Date: 03-06-2010

Place: Hyderabad
Date: 02-06-2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010
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Particulars	Sch. No	Current Year (Rupees)	Previous Year (Rupees)
I. INCOME :			
I Project Management Fees		-	5,400,000
Other Income-Rent/Hire	11	8,001,929	7,101,936
		<u>8,001,929</u>	<u>12,501,936</u>
EXPENDITURE :			
II Staff cost	12	2,138,137	4,208,010
Administrative & other Expenses	13	3,686,231	3,046,720
Interest		134,170	65,114
Depreciation	4	1,701,178	2,085,847
		<u>7,659,716</u>	<u>9,405,691</u>
III Profit before Taxation		<u>342,213</u>	<u>3,096,245</u>
Provision for Income Tax :			
IV Current Tax		1,160,000	1,000,000
Deferred Tax		-	349,180
Fringe Benefit Tax		-	100,000
Profit after Taxation		<u>(817,787)</u>	<u>1,647,065</u>
V Profit brought forward from Previous Year		17,889,212	18,492,571
VI Excess/short provision of I-Tax for earlier years		108,826	2,250,424
VII Balance of Profit Carried to Next period		<u>17,180,251</u>	<u>17,889,212</u>

Significant Accounting Policies and
Notes on Accounts

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As per our report of even date

for **BRAHMAYYA & CO,**
Chartered Accountants

For and on behalf of the Board

Sd/-
C.V.Ramana Rao
Partner
Membership No. 018545

Sd/-
M. Srimani
Managing Director

Sd/-
L.N.Sharma
Director

Sd/-
S.P.Hima Bindu
Company Secretary

Place : Visakhapatnam
Date : 03-06-2010

Place : Hyderabad
Date : 02-06-2010

BASIL INFRASTRUCTURE PROJECTS LIMITED 2009-2010

SCHEDULES TO BALANCE SHEET :

Particulars	As at 31-03-2010 (Rupees)	As at 31-3-2009 (Rupees)
SCHEDULE 1 - SHARE CAPITAL		
Authorised :		
300,00,000 Equity shares of Rs.10/- each(Previous year	300,000,000	100,000,000
100,00,000 shares of Rs.10/- each)		
Issued :		
30,00,000 Equity shares of Rs.10/- each	30,000,000	30,000,000
Subscribed & Paid-up :		
28,54,141 Equity shares of Rs.10/- each		
fully paid up	<u>28,541,410</u>	<u>28,541,410</u>
SCHEDULE - 2		
RESERVES & SURPLUS		
Capital Reserve	33,772	33,772
(Profit on re-issue of forfeited shares)		
Reserve Fund	8,243,000	8,243,000
Surplus in Profit and Loss Account	1,180,251	17,889,212
	<u>25,457,023</u>	<u>26,165,984</u>
SCHEDULE - 3		
SECURED LOANS		
Due to Others- On Hypothication of Vehicles	-	64,723

SCHEDULE -4

(in Rupees)

FIXED ASSETS		GROSS BLOCK				DEPRECIATION				NET BLOCK	
S. No.	Particulars	As at 01.04.2009	Additions	sales/adjustments	As at 31.03.2010	Upto 31.03.2009	For the year	On Deductions	Up to 31-03-2010	As at 31.03.2010	As at 31.03.2009
1	Office Buildings	32644133	0	0	32644133	5699786	1349217		7009003	25635130	26984347
2	Furniture & Fixtures	1556728	0	0	1556728	1357424	36043		1393467	163261	119304
3	Office Equipment	3057406	0	0	3057406	2284298	109990		2394288	663118	776108
4	Vehicles	2760739	0	0	2760739	1965333	205928		2171261	589478	795406
	Total	40019006	0	0	40019006	11266841	1701178	0	12968019	27050987	28752165
	Previous Year	41866415	0	1847409	40019006	10412158	2085847	1231164	11266841	28752165	31454257

BASIL INFRASTRUCTURE PROJECTS LIMITED 2009-2010

SCHEDULES TO BALANCE SHEET :

Particulars	As at 31-03-2009 (Rupees)	As at 31-3-2008 (Rupees)
SCHEDULE -5 INVESTMENTS		
(At Cost) (Non-Trade) (Long term)		
Equity Shares		
a. Quoted Equity Shares		
i. 41,82,980 shares of Rs.10/- each fully paid up in VBC Industries Ltd.	21,077,650	21,077,650
Total cost of (a)	21,077,650	21,077,650
b. Unquoted Equity Shares		
i. 3,99,500 Equity shares of Rs.10/- each fully paid up in Konaseema Gas Power Ltd	3,995,000	3,995,000
ii. 2,50,000 shares of Rs.10/- fully paid up in Konaseema Power Corporation Ltd	2,500,000	2,500,000
iii. 65,000 Equity Shares of Rs.10/- each fully paid up in M/s. Hillfort Palace (P) Ltd (formerly known as Varsha Hillfort Resorts(P) Ltd)	650,000	650,000
iv. 80,50,000 Equity shares of Rs.10/- each fully paid up in Core Hotels Ventures(P)Ltd(previous yr.8,000,000shares)	80,500,000	80,000,000
v. nil Equity Shares of Rs.10/- each fully paid up in Golden Jubilee Hotels Ltd (previous yr.50000 shares)		500,000
vi. Share Application Money deposited for Equity Shares in :		
a. Indo-US Coal Washeries Ltd	1,200,000	1,200,000
b. Elgi Capital Formation (P) Ltd	6,510,000	6,510,000
Total cost of (b)	95,355,000	95,355,000
Total Cost of (a+b)	116,432,650	116,432,650
Aggregate market value of quoted investments	86,169,388	53,625,804

Particulars	As at 31-03-2010 (Rupees)	As at 31-3-2009 (Rupees)
SCHEDULE -6 : SUNDRY DEBTORS		
Unsecured and considered good		
Due for more than six months	7,502,462	6,289,823
Due for less than six months	3,211,196	2,622,430
	<u>10,713,658</u>	<u>8,912,253</u>
SCHEDULE-7 : CASH & BANK BALANCES		
With Scheduled Banks in Current Accounts	132,350	1,508,323
	<u>132,350</u>	<u>1,508,323</u>
SCHEDULE-8 LOANS & ADVANCES		
(Un Secured and considered good, unless otherwise stated)		
(Recoverable in Cash or Kind or for Value to be received)		
Advances Recoverable	8,567,956	7,603,198
Deposits Recoverable	30,779	49,779
Income Tax Deducted at Source	1,118,147	2,117,433
Prepaid Expenses	3,833,112	3,480,930
Income Tax refund receivable	2,786,424	1,594,953
	<u>16,336,418</u>	<u>14,846,293</u>
SCHEDULE - 9 CURRENT LIABILITIES		
Sundry Creditors	208,595	1,860,720
Advance received against sales and services	82,059,413	67,266,213
Other Liabilities	3,719,164	2,047,757
Deposit Refundable	3,260,000	4,010,000
Creditors for Other Finances	24,840,000	39,450,500
Due to Directors	179,684	4,000
Creditors for Other Expenses	273,999	0
	<u>114,540,855</u>	<u>113,639,190</u>
SCHEDULE - 10 PROVISIONS		
Provision for Gratuity	342,681	316,225
Provision for Leave encashment	49,914	41,452
Provision for Income- Tax	1,160,000	1,000,000
Provision for Fringe Benefit tax	-	108,520
	<u>1,552,595</u>	<u>1,466,197</u>

BASIL INFRASTRUCTURE PROJECTS LIMITED **2009-2010**

SCHEDULES TO PROFIT AND LOSS ACCOUNT :

Particulars	For the year ended	For the year ended
	31-03-2010 (Rupees)	31-3-2009 (Rupees)
SCHEDULE - 11: OTHER INCOME		
a) Rent	5721929	5661936
b) Hire Charges	2280000	1440000
	<u>8001929</u>	<u>7101936</u>
SCHEDULE - 12 STAFF COST		
a) Salaries & Allowances	1031681	3014426
b) Managing Director's Remuneration	1080000	1080000
c) Gratuity	26456	113584
	<u>2138137</u>	<u>4208010</u>
SCHEDULE - 13 ADMINISTRATIVE & OTHER EXPENSES		
a) Rates & Taxes	288854	605200
b) Repairs & Maintenance	20000	0
c) Insurance	730660	744979
d) Printing & Stationery	26192	348326
e) Postage, Telegrams & Telephones	100262	261350
f) Travelling & Conveyance	505853	520627
g) Auditor's Remuneration -		
- Audit Fee	40000	35000
- Tax Audit Fee	7500	5000
- Certification fee	18000	23000
h) Professional Charges	30700	32500
i) Advertisement & Publicity	16559	25349
j) General Charges	1901651	440244
h) Vehicles Scrapped	0	5145
	<u>3686231</u>	<u>3046720</u>

14. ACCOUNTING POLICIES & NOTES ON ACCOUNTS:

(Annexed to and forming part of Balance Sheet at and Profit & Loss Account for the year ended 31st March 2010)

A. ACCOUNTING POLICIES**I. GENERAL**

Financial statements are prepared on accrual basis under the historical cost convention and in accordance with Accounting Standards specified in sub section (3c) of section 211 of the companies Act, 1956.

II. FIXED ASSETS:

Fixed Assets are stated at cost, less accumulated depreciation. Cost of acquisition of Fixed Assets is inclusive of freight, duties, taxes, Incidental Expenses relating to the cost of acquisition, the cost of installation/erection as applicable.

III. INVESTMENTS:

Investments are stated at cost, inclusive of all expenses relating to acquisition. Provision for diminution in the market value of long-term investments is not made, if in the opinion of the management such diminution is temporary in Nature.

IV. DEPRECIATION:

Depreciation on fixed assets is provided under written down value method in accordance with the schedule XIV of the Companies Act, 1956.

V. EMPLOYEE BENEFITS

Liability for Employee benefits, both short and long term, for present and past services which are due as per the terms of employment are recorded in accordance with Accounting Standard AS-15(Revised) " Employee Benefits" issued by the Institute of Chartered Accountants of India.

a) Gratuity

Retirement Benefit in the form of Gratuity is considered as Defined Benefit Obligation and is provided for, on the basis of an actuarial valuation using the projected unit credit method as at the date of Balance Sheet.

b) Other Long-Term Benefits

Long-Term Compensated Absences are provided on the basis of an actuarial Valuation using the projected Unit Credit Method as at the date of Balance Sheet.

Actuarial gain/losses if any are immediately recognized in the Profit & Loss Account.

B. NOTES ON ACCOUNTS

Particulars	2009-10 (Rupees)	2009-08 (Rupees)
1 Expenditure incurred in foreign currency on account of travel	40166	78295
2 Amounts due as on 31-03-2010 to -		
a. Due to SSI units- outstanding for more than 30 days	Nil	Nil
b. Due to Micro industries- outstanding for more than 45 days	Nil	Nil
3 As per Accounting Standard 15 - "Employee Benefits" issued by the Institute of Chartered Accountants of India the disclosure of employee benefits as defined in the Accounting Standard are given hereunder:		
Defined Benefit Plans		
The present value in respect of obligation towards gratuity liability is determined based on actuarial valuation using the Projected Unit Credit Method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for compensatory absences is recognized in the same manner as gratuity.		
I. Reconciliation of opening and closing balances of Defined Benefit obligations:		
a. <u>Gratuity (Non-funded):</u>		
Defined Benefit obligation at beginning of the year (As at 1st April 2009)	316225	202641
Interest Cost	25298	16211
Current Service Cost	26456	55032
Benefits paid	0	0
Actuarial loss/(gain) on obligation	-25298	42341
Defined Benefit obligation at year end (As at 31st March 2010)	<u>342681</u>	<u>316225</u>
b. <u>Compensatory absences (Non-funded):</u>		
Defined Benefit obligation at beginning of the year (As at 1st April 2009)	41452	37852
Interest Cost	3316	3028
Current Service Cost	30360	30300
Benefits paid	0	0
Actuarial loss/(gain) on obligation	-25484	-29728
Defined Benefit obligation at year end (As at 31st March 2010)	<u>49914</u>	<u>41452</u>
II. Reconciliation of opening and closing balances of fair value of plan assets and fair value of assets and obligations does not arise as the company has no planned assets in respect of its obligation towards gratuity.		
III. Expenses recognized during the year (in the statement of Profit & Loss Account) :		

Current Service Cost:

a. Gratuity	26456	113584
b. Earned Leave Encashment	30360	3600

IV. Principal Actuarial Assumptions :

a. Gratuity (Non-funded) :

Discount Rate	8%	8%
Salary Escalation Rate	5%	5%
Attrition Rate	5%	5%
Expected Rate of return on Plan assets	0%	0%

b. Compensatory absences (Non-funded) :

Discount Rate	8%	8%
Salary Escalation Rate	5%	5%
Attrition Rate	5%	5%
Expected Rate of return on Plan assets	0%	0%

The above information is certified by an Actuary.

4. Major components of Deferred Tax Liability as on 31.3.2010 are --

- timing difference between book and tax depreciation	574180	574180
---	--------	--------

5. The Company operated in one business segment of rent/hire and are

no geographical segments to be reported.

6. Managing Directors (Whole time Director) remuneration details:

Remuneration	10,80,000	10,80,000
Perquisites	0	0
Total :	10,80,000	10,80,000

7. Information pursuant to paragraphs 3 and 4 of part II of

Schedule VI of the Companies Act, 1956 is not applicable, as the

company is not carrying on a manufacturing activity.

8A. Related party Transactions:

Related parties in terms of AS-18 issued by the institute of

Chartered Accountants of India.

i. Key Management Personnel

- Mrs. M. Srimani, Managing Director

ii. Relatives of Key Management Personnel

- Mr. M.S.P. Rama Rao

iii. Companies/Firms/Other Concerns in which Key

Management Personnel or her relatives hold

substantial interest:

- Konaseema Gas Power Ltd

- Konaseema Power Corporation Ltd

- Indo-Us Coal Washeries Ltd

BASIL INFRASTRUCTURE PROJECTS LIMITED **2009-2010**

- Golden Jubilee Hotels Ltd
- VBC Industries Ltd
- Hillfort Palace (P) Ltd
- I I C Hotels (P) Ltd
- Core Hotels Ventures (P) Ltd.

B. Transactions carried out with related parties :

Nature of transaction

a. Transactions pertaining to Key Management Personnel

- i. Remuneration 1080000
- ii. Amount payable at the end of the year 179684

b. Transactions with other related parties

- i. Rent & Hire Charges Received 5061929
- ii. Amount invested during the year 0
- iii. Amount invested up to the end of the year 95355000
- iv. Amount payable at the end of the year 109859413
- v. Amount receivable at the end of the year 10485178

9 Earnings per Share (EPS)

- a. Net Profit available for Equity Share Holders -708961
- b. Weighted average number of equity shares (Used as denomination for calculating EPS) 2854141
- c. Basic and Diluted Earning per share of Rs10/-each -0.25

10 Previous years figures have been regrouped wherever necessary.

As per our report of even date

for BRAHMAYYA & CO,
Chartered Accountants

For and on behalf of the Board

Sd/-	Sd/-	Sd/-	Sd/-
C.V.Ramana Rao	M. Srimani	L.N.Sharma	S.P.Hima Bindu
Partner	Managing Director	Director	Company Secretary
Membership No. 018545			

Place : Visakhapatnam
Date : 03-06-2010

Place : Hyderabad
Date : 02-06-2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2010

	2009-2010 Rupees	2008-2009 Rupees
A Cash Flow from Operating Activities		
Net Profit before Tax	342213	3096245
Adjustment for:		
Depreciation	1701178	2085847
Provision for gratuity	0	113584
Provision for Leave encashment	0	3600
Interest paid	<u>134170</u>	<u>65114</u>
Operating profit before Working Capital Changes	2177561	5364390
Adjustment for:		
Trade and other receivables	(3,099,345)	(2027600)
Trade and other payables	<u>988063</u>	<u>2284424</u>
Cash generated from operation	66279	5621214
Income Tax paid	(1,243,359)	(4461071)
Interest paid	<u>(134170)</u>	<u>(65114)</u>
Net Cash from operating activities (A)	<u>(1,311,250)</u>	<u>1095029</u>
B Cash Flow from Investing Activities		
Sale of Fixed Assets	0	616245
Net Funds used in investing activities (B)	<u>0</u>	<u>616245</u>
C Cash Flow From Financing Activities		
Repayment of Secured loans	(64723)	(579454)
Net Cash Generated in Financing Activities (C)	<u>(64723)</u>	<u>(579454)</u>
Net Increase/(Decrease) in cash and cash equivalents [A+B+C]	(1375973)	1131820
Add: cash and cash equivalents as the beginning of the year	1508323	376503
Cash and cash equivalents as at the end of the year	132350	1508323

As per our report of even date

for **BRAHMAYYA & CO,**
Chartered Accountants

For and on behalf of the Board

Sd/-
C.V.Ramana Rao
Partner
Membership No. 018545

Sd/-
M. Srimani
Managing Director

Sd/-
L.N.Sharma
Director

Sd/-
S.P.Hima Bindu
Company Secretary

Place : Visakhapatnam
Date : 03-06-2010

Place : Hyderabad
Date : 02-06-2010

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
AS PER PART IV TO SCHEDULE IV TO THE COMPANIES ACT, 1956**

I REGISTRATION DETAILS			
Registration No 5750	State	Code	1
	Date	Month	Year
Balance Sheet Date	31	3	2010
II CAPITAL RAISED DURING THE YEAR (Amount Rs. in Thousands)			
Public Issue : nil	Rights Issue :	nil	
Bonus Issue : nil	Private Placement :	nil	
III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount Rs. in Thousands)			
Total Liabilities :	54572	Total Assets :	54572
Source of Funds:		Application of funds:	
Paid up Capital :	28541	Net Fixed Assets :	27051
Reserves & Surplus:	25457	Investments :	116432
Secured Loans :	0	Deferred Tax Asset :	0
Unsecured Loans :	0	Net Current Assets	-88911
Deferred Tax Liability	574	Miscellaneous Expenditure:	0
		Accumulated Losses	0
IV PERFORMANCE OF COMPANY (Amount Rs. in Thousands)			
Turnover including other Income : 8001	Profit before Tax :	342	
Total Expenditure : 7659	Profit after Tax :	-817	
Earnings per Share(Rs.) : -0.29	Dividend Rate :	nil	
V GENERAL NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (as per monetary terms)			
Item CodeNo	:	Not Alloted	
Product Description	:	Nil	
Service of the company	:	Project Management & Rent / Hire	

As per our report of even date

for **BRAHMAYYA & CO,**
Chartered Accountants

For and on behalf of the Board

Sd/-
C.V.Ramana Rao
Partner
Membership No. 018545

Sd/-
M. Srimani
Managing Director

Sd/-
L.N.Sharma
Director

Sd/-
S.P.Hima Bindu
Company Secretary

Place : Visakhapatnam
Date : 03-06-2010

Place : Hyderabad
Date : 02-06-2010

Basil Infrastructure Projects Limited

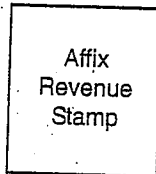
Registered Office :6-2-913/914, Sixth Floor, Progressive Towers,
Khairatabad, Hyderabad – 500 004

PROXY FORM

I/We.....of..... in
the district of being a member(s) of the above named company,
hereby appoint of
in the district of or failing him
of..... in the district of as my/our proxy to attend and vote for me/
us and on my/our behalf, at the 24th Annual General Meeting of the Company to be held on
Thursday, the 30th day of September 2010 at 11:30 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 ,
and at any adjournment thereof.

Signed this

Date.....



Folio No.....

Note: Proxies must reach the Company's Registered Office not less than 48 hours before the time fixed for the meeting.

Basil Infrastructure Projects Limited

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

ATTENDANCE SLIP

**PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE
ENTRANCE OF THE MEETING HALL**

Joint Shareholders may obtain additional slips on request.

NAME & ADDRESS OF THE SHAREHOLDER	Folio No.
.....
.....
.....

I hereby record my presence at the 24th ANNUAL GENERAL MEETING of the Company held on
Thursday, the 30th day of September 2010 at 11.30 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

SIGNATURE OF THE SHAREHOLDER OR PROXY.

**BOOK-POST
PRINTED MATTER**

If undelivered please return to :

BASIL INFRASTRUCTURE PROJECTS LIMITED

[Formerly known as VBC Finance & Leasing Limited]

6-2-913/914, Sixth Floor, Progressive Towers,

Khairatabad, Hyderabad - 500 004

Tel: 91 40 23331224/35, Fax: 040-23331244/55

E-mail: vbcflcs@gmail.com