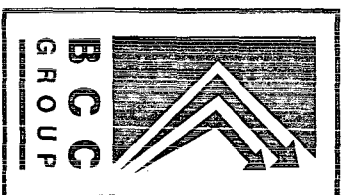


11th

ANNUAL REPORT

2006-2007



Bhatia Industries & Infrastructure Limited

BOARD OF DIRECTORS
(as on 31st August, 2007)

Mr. S.S.Bhatia : *Executive Director & CEO*
Mr. M.S.Bhatia : *Director*
Mr. J.K.Jain : *Director*
Mr. L.K.Thanvi : *Director*

COMPANY SECRETARY

Sunila Rao

BANKERS

Bank of India
IndusInd Bank Limited
The Bank of Rajasthan Ltd
UCO Bank Limited

STATUTORY AUDITORS

M/s. R.S.Bansal & Co.,
Chartered Accountants,
Urvashi, 3, Jaora Compound,
Indore (M.P.)

REGISTERED OFFICE

"BCC House", 8/ 5, Manoramaganj,
Navratan Bagh Main Road,
Indore (M.P.) 452001

Registrar & Share Transfer Agent

M/s. Intime Spectrum Registry Ltd.
307, City Centre, 3rd Floor,
570, M.G.Road, Indore 452001 (M.P.)
Tel.: (0731) 2544512

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BHATIA INDUSTRIES & INFRASTRUCTURE LIMITED

NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of the Members of Bhatia Industries & Infrastructure Limited (Previously Known as BCC Finance Ltd.) will be held on Saturday, the 29th September, 2007 at 3.00 p.m. at the Registered Office of the Company situated at "BCC House", 8/5, Manoramaganj, Navratan Bagh Main Road, Indore-452 001 (M.P.) to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2007 and the Reports of the Directors and of the Auditors thereon.
2. To appoint a Director in place of Mr. Jitendra Kumar Jain, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Auditors for the year 2007-2008 and to fix their remuneration.

By Order of the Board
For Bhatia Industries &
Infrastructure Limited

Place : Indore
Date : 31st August, 2007

Sd/-
S.S. BHATIA
Executive Director & CEO

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE ENCLOSED PROXY FORM, IF INTENDED TO BE USED, SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED IN NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.
2. Members/Proxies are requested to deposit the enclosed Attendance Slip duly filled in and signed for attending the meeting. For shares held in dematerialised form, the DPID and Client ID numbers should be indicated in the Attendance slip.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 24th September, 2007 to Friday, the 28th September, 2007 (both days inclusive).
4. Shareholders who are interested in obtaining any information regarding the Accounts of the Company are requested to write to the Company considerably at an earlier date, to enable the Management to keep the information ready at the meeting.
5. In pursuance of the recommendations of SEBI committee on corporate governance for the appointment/ re-appointment of retiring Directors, please find below details of Mr. Jitendra Kumar Jain, who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Jitendra Kumar Jain was born on 30th June, 1963. He is a commerce graduate with expertise in accounts and taxation. He was appointed as Director on 26th August, 1997 and is the Chairman of the Audit Committee and the Shareholders' Grievances and Share Transfer Committee Company. He holds Directorship in two other companies viz., Bhatia International Limited and BCC Cargo Private Limited. In addition to this he is the member of sub-committee of Board of Directors as well as the Audit Committee of Bhatia International Limited. He holds 3210 equity shares of the Company.

6. Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, dividends which remains unpaid or unclaimed for a period of 7 years will be transferred to Investor Education and Protection Fund of the Central Government. Shareholders who have not claimed dividend for the financial year ended as on 31st March, 2000 and the subsequent years are requested to make their claim to the share department at the registered office of the Company. Pursuant to the provisions of Section 205C of the Companies Act, 1956, no claim shall lie against the Company or the said fund after the transfer thereof.

By Order of the Board
For Bhatia Industries
& Infrastructure Limited

Place : Indore
Date : 31st August, 2007

Sd/-
S.S. BHATIA
Executive Director & CEO



To,
The Members,
Bhatia Industries & Infrastructure Limited
Indore

Your Directors have pleasure in presenting the fourteenth annual report and audited accounts of the Company for the year ended 31st March, 2007.

FINANCIAL PERFORMANCE

The salient features of the Company's financial results during the year are as under.

(Rs. in Lacs)

	For the year ended 31.03.2007	For the year ended 31.03.2006
Profit / (Loss) before Depreciation, Interest & Tax	212.15	108.32
Less : Depreciation	--	--
Financial Charges	0.00	3.94
Profit / (Loss) before tax & NPA provision	212.15	104.38
Add/(Less) : Prior period adjustments	(0.07)	(0.42)
Add/(Less) : Provision for Income-Tax	(78.94)	(35.11)
Provision for deferred tax	NIL	(0.05)
Provision for Non Performing Assets	NIL	47.81
Profit/(Loss) after Tax	133.14	116.61
Less : Transfer to Statutory Reserve	NIL	(20.87)
Add : Balance brought forward from last Year	38.65	(57.08)
Balance carried to Balance Sheet	171.79	38.66

PERFORMANCE REVIEW**Business Operations**

In the year under review your Company's performance has improved considerably and the company has posted profit after tax of Rs.133.14 lacs showing a growth of 12.41% as compared to previous year. Your company has in the previous years explored various business opportunities and decided to venture into trading of imported coal. To further broad base and diversify the business activity your Company proposes to commence development of real estate and then gradually venture into infrastructure development activities.

In the year under review your Company has surrendered its NBFC certificate and obtained no objection from the Reserve Bank of India vide their order dated 4th August, 2006. Subsequently, the Company has also obtained a fresh certificate of incorporation as well as the certificate for the change in the main object from the Registrar of Companies, Madhya Pradesh & Chattisgarh, Gwalior on 17th November, 2006. Pursuant to this the name of the Company has changed from "BCC Finance Limited" to "Bhatia Industries & Infrastructure Limited". All the concerned authorities have been informed about the change and the Company has made the alteration in its statutory records also. The Company has altered its main object of carrying on the business of non-banking finance activities to that of trading in coal and infrastructure development.

During the year Company has traded in 216710 Metric tonnes of coal and earned a gross profit of Rs. 212.15 Lacs. Your Directors are confident that with the new business the Company will yield tremendous profits.

Increase in Authorized Share Capital and Issue of 8% Cumulative Redeemable Preference Shares.

To further smoothen the business operations and expand the new business activities the Company needed certain funds for which the Company has raised funds through increase of authorized share capital from Rs.4 crores to Rs.12 crores. The Company has issued 8.00 lac 8% cumulative redeemable preference shares of Rs.100/- each, to the promoters of the Company through private placement. These shares are not listed with any of the stock exchanges.

DIVIDEND

Your Directors are of the view of retaining profits and plough them back, instead of declaring the dividend.

FIXED DEPOSIT

The Company has not invited or accepted any public deposits in accordance with the provisions of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975 during the year under review.

RBI GUIDELINES

Your Company has fulfilled all the norms and standards set out by the Reserve Bank of India pertaining to non-performing assets for Non-Banking Financial Companies till the date of surrender of NBFC certificate.



DIRECTORS

Mr. J.K.Jain, Director of the Company retires from office by rotation and being eligible, offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956 the Directors hereby confirm that :

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 and loss account of the Company for that period;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the annual accounts on a going concern basis.

STATUTORY AUDITORS

The Board of Directors have proposed for the re-appointment of M/s. R.S. Bansal & Co., Chartered Accountants, Indore as the statutory auditors of the Company who shall hold office till the conclusion of the next Annual General Meeting of the Company. M/s. R.S. Bansal & Co., Chartered Accountants, Indore has confirmed that their appointment, if made would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. Your Directors request you to appoint the statutory auditors for the current year.

AUDITORS' REPORT

In view of the comments made by the Auditors, Directors wish to state that the relevant notes forming part of the accounts of the Company are self-explanatory and do not require any further explanation.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Disclosure regarding Conservation of Energy and Technology Absorption as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable to the Company. The Company did not have any Foreign Exchange Earnings and Outgo during the year under review.

PARTICULARS OF EMPLOYEES

None of the employees of the Company during the year are in receipt of remuneration of more than the maximum permitted ceiling given in Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended.

REPORT ON CORPORATE GOVERNANCE

Your Company is committed towards following the best governance practices and its adherence in true spirit. Corporate Governance Report in accordance with clause 49 of the listing agreement as applicable to the Company is annexed to the Annual Report forming part thereof.

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report in accordance with the requirements of Clause 49 of the Listing Agreement for the year under review is annexed to the Annual Report forming part of it.

COMPLIANCE CERTIFICATE FROM AUDITORS

A certificate from the statutory auditors for compliance of conditions of Corporate Governance as stipulated in Clause 49 of Listing Agreement is annexed to this report forming part of the Corporate Governance report.

ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation for the assistance and co-operation received during the period under review from the Government of India, Reserve Bank of India, Registrar of Companies, Madhya Pradesh and Chhattisgarh, Gwalior, Ministry of Corporate Affairs, Banks, shareholders and all other stakeholders.

Your Directors also wish to convey their appreciation to the employees for their valuable contribution to the growth of the Company.

**By Order of the Board
For Bhatia Industries & Infrastructure Limited**

Place : Indore
Date : 31st August, 2007

Sd/-
S.S.Bhatia
Executive Director & CEO

**REPORT ON CORPORATE GOVERNANCE**

(In terms of Clause 49 of the Listing Agreement)

1. PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is committed to follow the sound governance principles and practices in letter and spirit. The various corporate governance practices implemented by the Company in compliance with Clause 49 including the amendment thereof of the listing agreement are as follows:

2. BOARD OF DIRECTORS**A. The Board of Directors of the Company**

The Board of Directors of the Company comprises four Directors, out of which one is an Executive Director, two are Independent Directors and one non-independent Director in the Company. All the members of the Board are competent and well experienced.

B. Attendance of each Director at the Meetings of Board of Directors and the last AGM and details of memberships of Director in other Boards and Board Committee.

Details of the Board Meetings held during the year 2006-2007 are as follows :

Name & Category	No. of meetings held during the year	No. of Board Meetings attended during 2006-07	Whether attended AGM held on 30th Sept., 2006	No. of Directorships in other Companies	No. of Committee Positions held in other Companies
Mr. S.S. Bhatia Executive Director & CEO	06	06	No	06	01
Mr. M.S. Bhatia Director	06	01	No	03	01
Mr. J.K. Jain Director	06	05	No	02	02
Mr. L.K. Thanvi Director	06	Nil	No	01	01

Mr.S.S.Bhatia is Director in 3 other overseas companies viz., Bhatia International Pte Ltd.,Singapore, Pt.Bhatia International, Indonesia, Ishhar Overseas FZE, Dubai. Six Board Meetings were held during the year 2006-07 on the following dates: 6th May, 06, 1st June, 06, 7th August, 06, 28th August, 06, 31st October, 06 and 7th February, 07. The gap between any two meetings did not exceed four months.

3. COMMITTEES OF THE BOARD**A. AUDIT COMMITTEE**

The audit committee of the Company and its terms are established in accordance with the norms specified under Clause 49 of the listing agreement and Section 292A of the Companies Act, 1956. The Audit Committee is composed of three members viz., Mr.J.K.Jain who is the Chairman of the committee and Mr.Manjeet Singh Bhatia and Mr.L.K.Thanvi are the other two members.

The composition of the committee is a mix of eminent members having knowledge of finance, accounting and business matters. The Committee reviews the financial results of the Company and carries out the discussions on routine matters suggesting measures for any variation or discrepancies. In the financial year 2006-07 the Audit Committee met five times.

B. REMUNERATION COMMITTEE

None of the Directors are paid remuneration or the sitting fees, which has been voluntarily waived off by them. Presently the Company does not have the remuneration committee and it shall be constituted as and when required.

C. SHAREHOLDERS' GRIEVANCES AND SHARE TRANSFER COMMITTEE :

The shareholders' grievances and share transfer committee of the Company is framed comprising of three members viz., Mr.J.K.Jain as the Chairman and Mr.S.S. Bhatia and Mr.M.S.Bhatia as the members. This committee is formed to deal with the matters concerned with share transfer and other related matters.

M/s Intime Spectrum Registry Limited, Indore (M.P.) is appointed as the share transfer agent and registrar of the Company. All the requests received for share transfers are processed and approved for transfer by the share transfer agents which are registered and returned within 30 days from the date of lodgment. Similarly, request received from the shareholders for demat of shares are processed by the Company's Registrar within the stipulated time period subject to the documents submitted alongwith it are in order.



4. GENERAL BODY MEETINGS

The particulars of the Annual General Meetings held during the last three years are given below :

AGM	Venue	Date & time	Whether Special Resolution
11th AGM	Regd. Office : BCC House, 8/5, Manoramaganj, Navratan Bagh, Main Road, Indore (M.P.)-452001	30/09/2004 at 4:30 p.m.	No
12th AGM	-Same as above-	30/09/2005 at 4:30 p.m.	No
13th AGM	-Same as above-	30/09/2006 at 3:00 p.m.	Yes

5. DISCLOSURES :

- a. Disclosures on material significant party transactions with its promoters, the Directors or the Management, their Subsidiaries or relatives etc. that may have potential conflict of interest.

No such transactions were made with the related parties, which are in conflict with the interest of the Company. The appropriate disclosure for the transactions entered with the related party is made in notes to the accounts which forms part of this annual report.

- b. No instances of non-compliance in any matter related to the capital market during the last three years.
- c. No penalties or stickers have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

6. MEANS OF COMMUNICATION :

Quarterly Results	:	The Quarterly Results of the Company are being published in widely circulated newspapers.
Annual Report sent to every shareholder	:	Yes
Any Website where displayed	:	under upgradation

The Management Discussion and Analysis forms part of this Annual Report.

7. GENERAL INFORMATION TO SHAREHOLDERS

- a. Fourteenth Annual General Meeting

Day & Date	:	Saturday, the 29 th September, 2007
Time	:	3:00 p.m.
Venue	:	Registered Office of the Company at BCC House, 8/5, Manoramaganj, Navratan Bagh Main Road, Indore (M.P.) - 452001
Email	:	cs@bhatiacoalindia.com

- b. Financial Calendar :

Financial reporting for	:	Date of reporting
Quarter ended 30th June, 2006	:	07th August, 2006
Quarter ended 30th September, 2006	:	31st October, 2006
Quarter ended 31st December, 2006	:	07th February, 2007
Quarter/year ended 31st March, 2007	:	07th May, 2007

- c. **Date of Book Closure** : 24th September, 2007 to 28th September, 2007 (both days inclusive).
- d. **Dividend payment date** : No dividend declared, hence not applicable.



e. Listing on Stock Exchanges and details of price index:

The shares of the Company are listed on Madhya Pradesh Stock Exchange, Indore, Stock Exchange Mumbai (Stock Code 531178), and Stock Exchange Ahmedabad (Stock code 07971). The share prices of the company's shares at a 52 week high/ low has been recorded as Rs.24.85 / Rs.12.00 during year financial year 2006-07, the shares were traded frequently. The high/ low price of the Company's scripts for the last three years are as follows:

S. No.	Year (s)	High Price (Rs.)	Low Price (Rs.)
01.	2004-2005	15.14	2.25
02.	2005-2006	27.19	6.95
03.	2006-2007	24.85	12.00

f. Performance in comparison to broad-based indices such as BSE Sensex.

Month	BSE SENSEX		QUOTED PRICE AT BSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April-2006	17.25	16.00	12042.56	11237.23
May-2006	20.50	15.25	12612.38	10398.61
June-2006	16.10	13.15	10609.25	8929.44
July-2006	20.40	14.55	10930.09	10007.34
August-2006	16.75	12.75	11723.92	10751.66
September-2006	17.50	12.00	12484.42	11550.59
October-2006	14.95	12.15	13024.26	12204.01
November-2006	13.97	12.00	13773.59	13072.51
December-2006	15.93	12.55	13972.03	12995.02
January-2007	17.81	13.02	14282.72	13362.16
February-2007	24.85	16.00	14352.09	12938.09
March-2007	15.90	13.65	13308.03	12415.04

g. Registrar and Transfer Agents:

The Registrar and Transfer Agents of the Company for both physical and demat share transfer activities of the Company is M/s Intime Spectrum Registry Limited, 307, City Centre, 3rd Floor, 570, M. G. Road, INDORE (M.P.) – 452 001

h. Distribution of shareholding as on 31st March, 2007

(a)

Slab of Shareholders	No. of Shareholders	No. of shares	% of total amount
(1)	(2)	(3)	(4)
1-500	666	140433	4.26
501 to 1000	86	69562	2.11
1001 to 2000	101	146594	4.44
2001 to 3000	13	34785	1.05
3001 to 4000	9	32206	0.97
4001 to 5000	7	32324	0.98
5001 to 10,000	11	82442	2.50
Above 10,000	26	2761654	83.69
Total	919	3300000	100.00



(b)

S. No. (1)	Categories (2)	No. of Share Holders (3)	No. of Shares (4)	% of Total Shares (5)
1.	Promoters, Directors & their relatives	13	1868780	56.63
2.	Bodies Corporate	58	435607	13.20
3.	NRI / OCBs	01	100	0.00
4.	Banks/ Financial Institutions	NIL	NIL	NIL
5.	General Public	847	995513	30.17
	Total	919	3300000	100.00

i. Dematerialization of Shares

About 90.89% of total equity shares of the Company are held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on 31st March, 2007.

j. Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity.

Not applicable to the Company as the Company has not issued any GDRs / ADRs / Warrants or any convertible instruments

k. Plant locations

The Company being involved in trading activities does not have any plant

l. Address for correspondence

Company Secretary,
Bhatia Industries & Infrastructure Limited
BCC House, 8/5, Manormaganj,
Navratan Bagh Main Road,
Indore (M.P.) 452001
Tel.No.:(0731) 4200219/ 4200211

m. Postal ballot :

The Company sought approval of the shareholders through postal ballot on the following items, the result of which was confirmed in the Annual General Meeting held on 30th September, 2006 :

- Change in the name and main object of the Company.
- To authorize the Board of Directors for creation of mortgage/ charge on all or any of the movable or immovable properties of the Company under Section 293(1)(a) of the Companies Act, 1956.
- To authorize the Board of Directors of the Company to borrow money in excess of the paid-up capital and free reserves of the company under Section 293(1)(d) of the Companies Act, 1956
- To authorise the Board of Directors to make inter-corporate loans, give guarantee or security and make investments under Section 372A of the Companies Act, 1956.

8. COMPLIANCE CERTIFICATE OF THE AUDITORS :

The certificate of the Statutory Auditors for compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement is annexed herewith.

DECLARATION

The Board Members and the Senior Management Personnel confirms the compliance with the code of conduct in terms of Clause 49 of the Listing Agreement.

For Bhatia Industries & Infrastructure Limited

Place: Indore
Date: 31st August, 2007

Sd/-
S. S. Bhatia
Executive Director & CEO



BHATIA INDUSTRIES & INFRASTRUCTURE LIMITED

CERTIFICATE

(In pursuance of Clause 49 (V) of the Listing Agreement)

This is to certify to the Board of Directors of Bhatia Industries & Infrastructure Limited, Indore that:

1. I have reviewed financial statements and the cash flow statement for the year ended 31st March, 2007 and that to the best of my knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct;
3. I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control systems of the Company and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, of which I am aware and the steps taken or proposed to take to rectify these deficiencies;
4. I have indicated to the auditors and the Audit Committee that
 - i. there are no significant changes in internal control during the year;
 - ii. there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. there are no instances of fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For Bhatia Industries & Infrastructure Limited

Indore
31st August, 2007

Sd/-
S. S. Bhatia
Executive Director & CEO

AUDITOR'S CERTIFICATE

IN COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT

To,
The Members of
Bhatia Industries & Infrastructure Limited
"BCC House", 8/5, Manoramaganj,
Navratan Bagh Main Road,
Indore (M.P.)

We have examined the compliance of conditions of corporate governance by Bhatia Industries & Infrastructure Limited (herein after referred to as 'the Company'), for the year ended 31st March, 2007, 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 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 the 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.

As informed to us and based on the records maintained by the Company and confirmation received from Registrar and Share Transfer Agent, no investor grievances are pending for a period exceeding one month against the Company as at 31st March, 2007.

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 R.S. Bansal & Co.
Chartered Accountants

Sd/-
VIJAY BANSAL
Partner
Membership No.75344

Place: Indore
Date: 31st August, 2007



Management Discussion and Analysis

In the year under review your Company had obtained a no objection certificate from Reserve Bank of India and surrendered its NBFC certificate. Pursuant to this the Company changed its name and main object from that of NBFC activities to trading in various types of coal and carrying on its allied activities as well as carrying on activities relating to infrastructure development.

The Company belongs to the group which is one of the leading player in indigenous and imported coal. Therefore, after exploring various options, considering threats and opportunities of different business activities, a considered decision was made by the management to opt for the business of trading in coal and engaging in the real estate and infrastructure development activities.

Industry Structure

Coal is the major and cheapest source of energy in India contributing almost 56% of the total energy consumed in the country. The core sectors of the country i.e. power, steel and cement are the major consumers of coal in India with other industries like chemicals, glass, sugar, textile etc. also finding its applicability. With the increased growth rate of economy the demand for power generation, steel and cement industries have also grown which has in turn made a significant impact on the demand for coal.

The coal reserves in India are not commensurate in terms of quality and quantity to meet the rising demand, this has led to steady rise in demand for imported coal. Until now coal mining is reserved for the public sector only, however now the coal mining is opened for the private sector companies also who has captive consumption of coal. During the year under review your company contemplates to focus on strengthening its presence in the coal market. In view of the above your company has during the year under review dealt in 216710 metric tones of coal and earned a profit of Rs. 212 Lacs. Your company is committed to further strengthen its presence in the domestic and international market in the years to come.

The other main stream of business being followed by the Company is real estate and infrastructure development activities.

The Indian economy is a rapidly growing economy, with a growth rate of about 9% in the year 2006-07. With the boom in the economy there is an increase in the investment in housing and infrastructure activities. The Government has shown concern over the large gap in demand and supply of the essential infrastructure facilities. With an increased population pressure there is a surge for providing quality infrastructure facility. Even though the country's economic growth is moving at a fast pace but it is on a mismatch with the urban infrastructure growth. There still exists a need for providing better quality of water and sanitation services, roads, airports and low cost high quality dwelling places to the urban and rural population. Your Company plans to focus on providing infrastructure services in the years to come and in anticipation of a growing demand for quality and efficient infrastructure facilities, the initial step taken by the Company is by acquiring land which shall be utilized towards construction of well equipped modern houses.

Challenges to be faced & Opportunities available:

Coal

India is not a producer of coal in large quantities and it depends mostly on imports to meet the demand of different sectors. Coal is imported from different countries viz Indonesia, South Africa and Australia. The major concern for the industry and the risk faced by the coal importers is that of price volatility. The import of coal is significantly influenced by and prone to price fluctuation. However due to the large gap in the demand and supply of the coal in India it is expected that the coal will always be in demand for at least next 3-4 years and risk of any steep fall in the price of coal in the international market is rare. Further, the company is marketing coal in bulk and therefore have back to back price fixation arrangement.

Infrastructure Development

The Indian society is getting demanding day by day for the high quality infrastructure which in turn is making this industry more complex. It also requires huge capital investment, which can be met through a combination of debts and internal sources. Due to rise in interest costs the financing of infrastructure projects increases the cost of funding. As this sector is open for the global players hence there is also an increase in the competition by the new entrants.

Overall the financial year 2007-2008 seems to give a positive outlook and immense opportunity together with the Government's support and concern over providing better and efficient means of infrastructure facilities to match with the growing economic growth rate.

Similarly, with the growing energy demands from various sectors your Company seeks to have a better outlook in the field of coal trading as well.

Internal Control System and their adequacy

The existing internal control system of the Company is adequate with its business requirements. The internal control system ensures strict adherence with the rules, regulations and statutory laws. It also works in the direction of suggesting the cost saving methods of working with suggesting the remedial measures for any deviation.

Financial / Operational Performance:

The Company has earned a profit of Rs. 212.00 lacs from the new business activity of coal trading. During the year under review the Company has recorded profit after tax of Rs. 212.15 lacs. Your Company contemplates to further enhance its profitability in the coming years.

Human Resource Issues

Your Company always believes in providing a congenial environment of working to its employees, which ensures continuous growth for the Company. Your Company is always willing to provide support to its employees in upgrading their knowledge and skills. For this the employees are made to attend seminars and workshops organized in house as well as by the outside institutes. During the year under review the relationship between the Company and its employees was cordial.

Cautionary Statement

The objectives, estimates and projections stated in the Management Discussion and Analysis are "forward looking statements" within the meaning of applicable securities laws and regulations which have been prepared in compliance with the requirements of the Companies Act, 1956, the Accounting Standards issued by the Institute of Chartered Accountants of India and the listing agreement. The actual results may differ from the estimates depending upon the market fluctuations.



AUDITORS' REPORT

To
The Members of,
Bhatia Industries & Infrastructures Ltd
(Previously known as BCC Finance Limited)
8/5, Manoramaganj,
Navaratan Bagh Main Road,
INDORE (M.P.)

We have audited the attached Balance Sheet of Bhatia Industries & Infrastructure Ltd. (previously known as BCC Finance Limited) having Registered Office at "BCC House, 8/5 Manoramaganj, Navratan Bagh Main Road, Indore as at 31st March, 2007 and also Profit & Loss Account and 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.

We conducted our audit in accordance with Accounting 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. (a) As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 (here-in-after referred to as the Act), and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we give in the annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order, to the extent applicable to the Company.
(b) Subject to above, and read with statement on notes to Balance Sheet and Profit & Loss Account forming parts of accounts.
2. Further to our comments in the annexures referred to paragraph 1 above:-
 - (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 accounts as required by law have been kept by the Company so far as appears from our examination of the books.
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statements dealt with by this report are in agreement with the books of accounts.
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account, Cash Flow Statement and segment report dealt with by this report comply with the accounting standard referred to in sub-section (3C) of section 211 of Companies Act, 1956.
 - (e) On the basis of written representations received from the Directors, as on 31st March, 2007 and taken on record by the Board of Directors we report that none of the Directors is disqualified as on 31st March, 2007 from being appointed as Director 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 Balance Sheet and Profit & Loss Account together with notes thereon and, 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 :-
 - (i) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2007 and
 - (ii) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on 31st March, 2007 and
 - (iii) In the case of the Cash Flow Statement of the cash flows for the year ended on 31st March 2007.

For R.S. Bansal & Co.
Chartered Accountants

Sd/-
VIJAY BANSAL
Partner
Membership No.75344

Place: Indore
Date: 31st August, 2007

**ANNEXURE TO THE AUDITOR'S REPORT AS REFERRED IN PARAGRAPH THIRD OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF BHATIA INDUSTRIES & INFRASTRUCTURE LTD FOR THE PERIOD ENDED 31.03.2007**

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we further report that-

FIXED ASSETS :-

1. As informed to us, the Company has been maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
2. As informed to us the Company has physically verified the fixed assets during the year at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
3. In our opinion and according to the information and explanation given to us, the Company has not disposed off any substantial fixed assets during the year, which affects the going concern status of the Company.

INVENTORIES :-

4. As per explanation given to us, physical verification of inventories has been conducted at reasonable intervals by the management.
5. In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventories and shares followed by the Management is reasonable and adequate in relation to the size of the company and the nature of its business.
6. In our opinion and according to the information and explanation given to us the Company has maintained proper records of its inventories and no material discrepancies were noticed on such physical verification.

Loan Granted :-

7. The Company has not granted unsecured loan, hence clause is not applicable.

Loan Taken :-

8. As per information and explanation given to us, the Company has taken unsecured loan from one of the proprietary concern of the Director of the Company and the maximum balance during the year is Rs.2.00 lacs.
9. No interest is paid on such loan and other terms and conditions of such unsecured loan is not prima facie prejudicial to the interest of the Company.
10. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business of inventory and fixed assets and for the sale of goods and services.
11. As informed to us the Company has entered all the transactions in the register maintained in pursuance of Section 301 of the Companies Act, 1956.

Public Deposit :-

12. In our opinion and according to the information and explanation given to us, the Company neither accepted nor invited any deposits from Public within the provisions of Section 58A of Companies Act, 1956 and rules made there under.

Internal Audit System :-

13. As explained and informed to us, Company has its own internal audit system which in our opinion is adequate/commensurate with the size and nature of its business.

Cost Record :-

14. As informed to us, the Central Government has not prescribed the maintenance of cost record under Section 209 (1) (d) of the Companies Act, 1956.

Statutory Dues :-

15. According to the information and explanation given to us there are no undisputed statutory dues payable in respect of Provident Fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty and Cess, which are outstanding as at 31.03.2007 for a period of more than six months from the date they became payable except Rs.13,050/-, Rs.11,600/- & Rs.1,02,155/- being unpaid Dividend for the Financial Year 1997-98, 1998-99 and 1999-2000 respectively.
16. It has been explained and informed to us that all dues toward sales tax/income tax/custom duty/wealth tax/excise duty/cess, if any are properly accounted for in the books and no dispute towards aforesaid dues exist, except following.

S.No.	Particulars	Financial year which it relates	Amount
1.	Income Tax	1995-96	Rs.110344/-

The Hon'ble ITAT Indore Bench has set-aside the matter to CIT (A)-I, Indore, which is yet to be decided.

2.	Stamp Duty	2004-05	Rs.1062000/-
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The Company has filed an appeal before the Hon'ble Revenue Board, Gwalior to set aside the impugned order passed for the Stamp duty of Rs.10.62 Lacs raised by them u/s 33 read with Rule 48 (b) of the Indian Stamp Act in connection with sand mines contract executed between the Company and The M.P.State Mining Corporation Ltd for Maheshwar Area, which is yet to be decided.



Accumulated / Cash Losses :-

17. The Company's accumulated losses at the end of the financial year are not more than 50% of its Net-Worth. Further, the Company has not incurred any cash losses during the period covered by the report and immediately preceding the financial year.

Default in Repayment of dues to Financial Institutions or Bank :-

18. Based on our audit procedures and on the information and explanation given by the management, no loans have been taken by the Company from the financial institutions or banks, hence this clause is Not Applicable.

Granting of Loan and Advances :-

19. According to the information and explanation given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

Chit Fund / Nidhi / Mutual Benefit / Society Activities :-

20. Provisions relating to any special statute applicable to chit fund are not applicable to the Company. Company not being Nidhi / Mutual Benefit fund / Society hence this clause is not applicable.

Dealing or trading in Shares :-

21. According to the information and explanation given to us, no transaction in trading of shares is being done by the Company during the year.

Guarantee given by the Company for Loan taken by others :-

22. As informed and explained to us the Company has not given any guarantee in respect of loans taken by others from any bank or financial institutions.

Utilization of Term Loan :-

23. As per information and explanation given to us, the Company has not taken any term loans.

Application of Short Term Fund for Long Term Investments :-

24. As per information and explanation given to us, fund raised on short term basis have not been used for long term investment.

Preferential Allotment of Shares :-

25. We are informed that, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.

Creation of Securities for Debentures Issue :-

26. According to the information and explanation given to us and the records examined by us, the Company has not issued debentures and hence regarding creation of securities in respect of debentures issued does not arise.

Money raised by Public Issue:-

27. The Company has not raised any money by public issue of shares during the year-ended review.

Fraud Noticed or Reported :-

28. To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the Company was noticed or reported during the year-ended review.

For R.S. Bansal & Co.
Chartered Accountants

Sd/-
VIJAY BANSAL
Partner
Membership No.75344

Place: Indore
Date: 31st August, 2007

**BHATIA INDUSTRIES & INFRASTRUCTURE LIMITED****BALANCE SHEET AS ON 31.03.2007**

	SCHEDULE	Amount (Rs.) As at 31.03.2007	Amount (Rs.) As at 31.03.2006
(A) SOURCES OF FUNDS			
SHAREHOLDERS' FUND			
Share Capital	I	33000000	33000000
Reserves & Surplus	II	22174398	8860542
	TOTAL	55174398	41860542
(B) APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	III	894910	894910
Less Depreciation		NIL	NIL
Net Block		894910	894910
INVESTMENT			
CURRENT ASSETS, LOANS & ADVANCES	IV	209000	209000
Stock in Hand	V	0	278581803
Sundry Debtors	VI	167787454	165121
Cash and Bank Balance	VII	18895278	31882212
Loans & Advances	VIII	7272695	7241907
Other Current Assets	IX	2256775	2974164
		196212202	320845207
Less : Current Liabilities & Provisions	X	142141714	280088575
Net Current Assets		54070488	40756632
	TOTAL	55174398	41860542
Significant Accounting Policies & Notes to Accounts	XIV		

As Per our Report of Even Date Attached

FOR R.S. BANSAL & CO.
Chartered AccountantsSd/-
VIJAY BANSAL
Partner
Membership No. 75344Place : Indore
Date : 31st August, 2007

For & On Behalf of the Board

Sd/-
S. S. BHATIA
Executive Director & CEOSd/-
J. K. JAIN
DirectorSd/-
SUNILA RAO
Company Secretary

**BHATIA INDUSTRIES & INFRASTRUCTURE LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2007**

	SCHEDULE	Amount (Rs.) As on 31.03.2007	Amount (Rs.) As on 31.03.2006
INCOME			
Income From Operations	XI	488172580	14887132
Other Income		361064	NIL
Increase / (Decrease) in Stock		(278581803)	274753830
	TOTAL	209951841	289640962
EXPENDITURE			
Administrative & other expenses	XII	1797425	1965355
Cost of Purchase	XIII	185233787	263054460
Custom Duty		NIL	13789060
Financial Charges		NIL	393939
Foreign Exchange Fluctuation		1672647	NIL
Penalty (Sale Tax)		32600	NIL
		188736459	279202814
Profit / (Loss) Before Tax		21215382	10438148
Prior Period Adjustments		6875	42047
Less :- Provision for Taxation			
Current Tax		7894000	3511000
Fringe Benefit Tax		651	4590
Add / (Less) : Provision for Non Performing Assets		NIL	4780628
Profit after Tax		13313856	11661139
Less :Transfer To Statutory Reserve Fund		NIL	(2087630)
Less : Balance Brought Forward from previous year		3865564	(5707945)
Balance carried to Balance Sheet		17179420	3865564
Significant Accounting Policies and Notes on Accounts	XIV		

As Per our Report of Even Date Attached

FOR R.S. BANSAL & CO.
Chartered AccountantsSd/-
VIJAY BANSAL
Partner
Membership No. 75344Place : Indore
Date : 31st August, 2007

For & On Behalf of the Board

Sd/-
S. S. BHATIA
Executive Director & CEOSd/-
J. K. JAIN
DirectorSd/-
SUNILA RAO
Company Secretary



BHATIA INDUSTRIES & INFRASTRUCTURE LIMITED

SCHEDULE TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2007

	Amount (Rs.) As at 31.03.2007	Amount (Rs.) As at 31.03.2006
SCHEDULE - I		
SHARE CAPITAL		
Authorised Capital		
40,00,000 (Forty Lakhs) Equity Shares of Rs. 10/- each (Previous year 40,00,000, Equity Shares of Rs. 10/- each)	40000000	40000000
Issued Capital		
33,00,000 Equity Shares of Rs. 10/- each (Fully paid up for cash at par) (Previous Year 33,00,000 Equity Shares of Rs. 10/- each)	33000000 <u>33000000</u>	33000000 <u>33000000</u>

SCHEDULE - II

RESERVES AND SURPLUS

1. General Reserve

Transfer from Statutory Reserve Fund	1892500			
Transfer from Special Reserve Fund	3102478	4994978	NIL	

2. Statutory Reserve*

Opening Balance	1892500			
Less : Transfer to General Reserve Fund	1892500	NIL		1892500

3. Special Reserve Fund*

Opening Balance	3102478			
Less : Transfer to General Reserve Fund	3102478	NIL		3102478

4. Profit and Loss Account

	17179420			
	22174398	8865564		8860542

* As the company has discontinued its NBFC business and NBFC certificate has also been surrendered to Reserve Bank of India, Bhopal and as there are no NBFC related assets, in view of this the amount lying in the Special Reserved Fund and Statutory Reserve fund has now been transferred to General Reserve.

SCHEDULE - III

FIXED ASSETS

		Amount (Rs.)									
SR. No.	PARTICULAR	GROSS BLOCK			DEPRECIATION				Net Block		
		As on 01.04.06	Addition During The Year	Transfer/Sold	As on 31.03.07	As on 01.04.06	Provided During The Year	Written Back	As on 31.03.07	As on 31.03.07	As on 31.03.06
	OWNED ASSETS										
1	LAND	894910	0	0	894910	0	0	0	0	894910	894910
	TOTAL	894910	0	0	894910	0	0	0	0	894910	894910



SCHEDULE TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2007

SCHEDULE - IV INVESTMENT (AT COST)	No. Of Units	AS AT 31.03.2007 AMOUNT (Rs.)	No. Of Units	AS AT 31.03.2006 AMOUNT (Rs.)
(I) UN-QUOTED SECURITIES	13950	180000	13950	180000
(II) BONDS HUDCO Tax Gain Bonds (Rs. 1000/- Each)	29	29000	29	29000
TOTAL	13979	209000	13979	209000

SCHEDULE - V

Stock in Hand
Soyabean Seed
Imported Coal

Amount (Rs.) As on 31.03.2007	Amount (Rs.) As on 31.03.2006
NIL	1895898
NIL	276685905
	278581803

SCHEDULE - VI

SUNDRY DEBTORS (Unsecured)
Less Than Six Months

167787454	165121
167787454	165121

SCHEDULE - VII

Cash And Bank Balance

Cash in Hand
Bank Balances
In Current Accounts
In Fixed Deposit

75049	62641
1186619	5611436
17633610	26208135
<u>18895278</u>	<u>31882212</u>

SCHEDULE - VIII

LOANS & ADVANCES

Advances (Recoverable in cash or in kind of value to be received)

7272695	7241907
<u>7272695</u>	<u>7241907</u>

SCHEDULE - IX

OTHER CURRENT ASSETS

T.D.S. (A. Y. 2004-05)
Advance I. Tax & T.D.S. (A.Y. 2006-07)
Advance I. Tax & T.D.S. (A.Y. 2007-08)
Income Tax A.Y. 05-06 Receivable

3792	3792
NIL	2933059
2215670	NIL
37313	37313
<u>2256775</u>	<u>2974164</u>

SCHEDULE - X

CURRENT LIABILITIES & PROVISIONS

CURRENT LIABILITIES :

Sundry Creditors
Other Current Liabilities

133715179	269220554
532234	7357021

**BHATIA INDUSTRIES & INFRASTRUCTURE LIMITED****SCHEDULE TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2007.**

	Amount (Rs.) As at 31.03.2007	Amount (Rs.) As at 31.03.2006
PROVISIONS		
Income Tax For F.Y. 06-07	7894000	3511000
Fringe Benefit Tax	301	0
	<u>142141714</u>	<u>280088575</u>
SCHEDULE - XI		
INCOME :		
(A) INCOME FROM OPERATIONS		
(1) Interest Gross	NIL	12509027
(2) Finance Charge	NIL	645438
(3) Sale of Shares	NIL	369254
(4) Dividend	NIL	9758
(5) Sale of Soyabean (Net of VAT)	1764637	1188534
(6) Coal Sale	<u>486407943</u>	<u>165121</u>
	<u>488172580</u>	<u>14887132</u>
(B) OTHER INCOME		
(1) Bad Debts Recovered	275821	NIL
(2) Interest Gross (TDS Rs. 15180/-)	85243	NIL
	<u>361064</u>	<u>NIL</u>
SCHEDULE - XII		
ADMINISTRATIVE & OTHER EXPENSES		
Advertisement & Publicity	12616	18628
Auditor's Remuneration	69468	22836
Bad Debts Written off	0	392151
Bank Commission & Charges	177084	15335
Books & Periodicals	0	400
Conveyance	1303	1798
Depository Service Charges	11174	8816
Freight Charges Outward	35899	13103
Labour & Handling Charges	0	52515
Insurance	4252	0
Legal & Professional charges	493219	178966
Listing fees	30200	30000
Office & Misc. Expenses	11691	9182
Postage & Telegram	511	6246
Professional Tax	2500	2500
Printing & Stationery	16765	13405
Rent, Rates & Taxes	60000	60000
Repair & Maintenance	2855	367058
Salary & Bonus	621953	719531
Telephone & Trunk Call	0	1821
Travelling Expenses	16432	51064
Income Tax on Assesment	<u>229503</u>	<u>0</u>
	<u>1797425</u>	<u>-1965355</u>
SCHEDULE - XIII		
COST OF PURCHASE		
High Seas Purchase (Included Vessel Frieght)	177514475	NIL
Coal Purchase (Local)	7175000	NIL
Custom Duty	376796	NIL
Insurance Charges	108448	NIL
Interest on purchase without holding	21797	NIL
Interest on custom duty	<u>37271</u>	<u>NIL</u>
	<u>185233787</u>	<u>NIL</u>

**SCHEDULE - XIV****NOTES ATTACHED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2007****A SIGNIFICANT ACCOUNTING POLICIES****1. Basis of Accounting**

The financial statement have been prepared under historical cost convention in accordance with Generally Accepted Accounting Principles in India and the provisions of Companies Act, 1956 as adopted consistently by the Company.

2. Revenue Recognition**i. INCOME**

(a) Finance Charges / Interest / are accounted for on accrual basis in case of non-performing assets these income are considered as accrued when realised.

(b) Dividend is accounted for when right to receive such dividend is established.

(c) Sale of Coal, soyabean is accounted for on the date of invoice.

ii. DEPRECIATION

No depreciation has been provided on freehold land.

3. FIXED ASSETS

Fixed Assets are stated at cost of acquisition less accumulated depreciation except freehold land.

4. INVESTMENT

Long Term Investments are stated at cost and current investments are stated at cost or market value whichever is less.

5. CONTINGENT LIABILITY

All known liabilities are provided for in the books of accounts except liabilities of a contingent nature, which are adequately disclosed.

6. MISCELLANEOUS EXPENDITURE

Miscellaneous Expenditure is amortized in equal installments over period of ten years.

7. ADDITIONAL LIABILITY ON ASSESSMENT UNDER VARIOUS FISCAL STATUS

Additional liability, if any, arising pursuant to respective assessment under various fiscal statutes as applicable, shall be accounted for in the year of assessment.

8. GRATUITY / RETIREMENT BENEFITS

These are not accounted for, as it is not applicable

9. ACCOUNTING FOR TAXES ON INCOME

The current taxes have been accounted for on the taxable income as per Income Tax Act 1961, at the rate applicable thereon. The taxes arising due to timing differences in the book profits and taxable profits are accounted for at the rates applicable on Balance Sheet Date.

B. NOTES ON ACCOUNTS

(1) In complying the Accounting Standard - 22 i.e. Accounting for Taxes on income issued by the Institute of Chartered Accountants of India, the Company has calculated the deferred tax impact. The composition of Deferred Tax Liability/Asset as at 31st March 2007 is nil.

(2) In the opinion of Board of Directors, the aggregate value of current assets, loans and advances on realization in ordinary course of business other than those on which provision has been made, will not be less than the amount at which they are stated in the Balance Sheet.

(3) The Company has held shares and securities as long – term investment, as has been shown separately in Schedule IV to Balance Sheet.

(4) The Company has recognized Business Segment as the primary reporting segment and no geographical segment is recognized in view of the fact that the Company has only domestic operations. The Business Segments are identified as: -

Coal Trading Business

(5) BASIC EARNING PER SHARE

For the Purpose of calculation of Basic Earning Per Share the following amounts are considered:

S. No.	Particulars	2006-07	2005-06
1.	Net Profit /(Loss) after tax available for Equity Shareholders (before deferred tax) (Rs. in lacs)	133.00	69.22
2.	Number of Equity Shares	3300000	3300000
3.	Basic Earning Per Share (Rs.)	4.03	2.09

Note :- Since there are no preferential equity shares, the basic earning per share and diluted earning per share are the same.



6. RELATED PARTY DISCLOSURE

S. No.	Name	Relation	Nature of Transaction	Amount in Rs. 2006-07	Amount in Rs. 2005-06
1.	Mr. S.S. Bhatia	Director	Interest Rent Paid Balance at year end	NIL 60000/- NIL	339939/- 60000/- NIL
2.	Bhatia Coal Corporation	Proprietary concern of relative of Director	Interest Received Balance at year end	NIL NIL	188482/- NIL
3.	Bhatia International Ltd.	Company in which Directors are interested	Coal Purchase Coal Sale Freight Seized Vehicle Sale Balance at year end	7175000/- 498111040/- 44935582/- NIL Dr. 167787454/-	269720554/- NIL NIL 500000/- Cr. 269220554/-
4.	Ishhar Overseas FZE (Dubai)	In which Directors are interested	Vessel Freight Balance at year end	43247290/- Cr. 43247290/-	NIL NIL
5.	Ishhar Overseas Pvt. Ltd.	In which Directors are interested	Sale of debtors Others Balance at year end	NIL 4063/- Cr. 4063/-	3900000 NIL
6.	BCC Cargo Pvt. Ltd.	Company in which Directors are interested	Sale of Stock of shares and Debtors	NIL	1000000/-

7. Additional information pursuant to Part II of Schedule VI to the Companies Act, 1956

PARTICULARS	2006-07 Amount (Rs.)	2005-06 Amount (Rs.)
Director's Remuneration / Salary	NIL	NIL
Auditor's Remuneration [Inclusive of Service Tax Rs. 2100/-] (P.Y. Rs. 1224/-)	19100	13224
Tax Audit Fees [Inclusive of Service Tax Rs. 990/-] (P.Y. Rs. 612/-)	8990	6612
Taxation matters	41408	3000
Total	69498	22836

Quantitative Details (In Numbers)	2006-07	2005-06
Equity Shares	NIL	NIL
Opening Stock	NIL	47323
Purchase (Net of Return)	NIL	NIL
Sales	NIL	47323
Closing Stock	NIL	NIL

Quantitative Details (In Metric Tons)	2006-07	2005-06
Soyabean		
Opening Stock	1.57	2.61
Purchase	NIL	NIL
Sales	1.57	1.04
Closing Stock	NIL	1.57

Quantitative Details (In Metric Tons)	2006-07	2005-06
Coal		
Opening Stock	119848.00	NIL
Purchase	96862.00	119923.055
Sales	216710.00	75.055
Closing Stock	NIL	119848.00



15. Earning in foreign currency Rs. Nil (P.Y. Nil).
16. Other Information are either nil or Not Applicable.
17. Previous year figures have been regrouped, rearranged wherever considered necessary to make them comparable with the current year.
18. The Company has availed a Foreign Letter of Credit amounting to Rs.28,50,00,000/- (Rupees Twenty Eight Crores Fifty Lacs only) as on 31.03.2007 from Bank of India, Kanchanbagh, Indore (M.P).
19. Fixed deposit with Bank of India amounting to Rs.1,76,33,610/- are under lien as margin money for the issuance of Foreign Letter of Credit.
20. **CONTINGENT LIABILITIES NOT PROVIDED FOR**
 - a. Collector of Stamp, Khargone (M.P.) raised stamp duty of Rs.10.62 lacs u/s 33 Read with Rule 48(b) of the Indian Stamp Act, for the sand mines contract allotted to Company for Maheshwar Group by State Mining Corporation Ltd., Bhopal for the period of 01.02.2004 to 31.01.2005. The Company has filed an appeal before the court of Hon'ble Revenue Board, Gwalior (M.P.) for setting aside the impugned order so passed by Collector of Stamp. The Management is of opinion that no provision is required for such liability.
 - b. Income Tax Department has raised a demand of Rs.1,10,344/- for Assessment Year 1996-97. Company has preferred an appeal before higher authorities. The Board is of opinion that no provision is required for such liability.
21. Current taxes has been accounted for on the taxable income as per Income Tax Act 1961, at the rate applicable thereon.
22. Schedule I to XIV form integral part of accounts.

As per our Report of Even Date Attached

For & On Behalf of the Board

FOR R.S. BANSAL & CO.
Chartered Accountants

Sd/-
S.S. BHATIA
Executive Director & CEO

Sd/-
VIJAY BANSAL
Partner
Membership No.75344

Sd/-
J. K. JAIN
Director

Place: Indore
Date: 31st August, 2007

Sd/-
SUNILA RAO
Company Secretary

**BHATIA INDUSTRIES & INFRASTRUCTURE LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED AS ON 31st MARCH, 2007**

(As required under clause 32 of the listing agreement with Stock Exchange)

(Amount in Rs.)

P A R T I C U L A R S	For the year ended 31st March,2007	For the year ended 31st March,2006
CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) before deferred tax		
Income Tax and Extra Ordinary items	21215382	10438148
ADJUSTMENTS FOR :		
Depreciation	NIL	NIL
Bad Debts	NIL	NIL
(Profit) / Loss on sale of Investment	NIL	NIL
Provision for Income Tax (Net)	(7894000)	(3515590)
(Profit) / Loss on transfer of fixed assets	NIL	NIL
Provision for Non Performing Assets	NIL	4780628
(Increase) / Decrease in Misc. Expenditure Not w/o	(651)	NIL
Operating Profit / (Loss) before working capital changes	13320731	11703186
ADJUSTMENT FOR :		
(Increase)/Decrease in inventories	278581803	(274685810)
(Increase)/Decrease in sundry debtors	(167622334)	163121
(Increase)/Decrease in Other Current Assets	717390	(2173171)
(Increase)/Decrease in Loan & Advances	(30787)	15541660
Increase/(Decrease) in Current Liabilities	(137946861)	273783396
Deferred Tax	NIL	NIL
Cash Generated from Operations		
Cash Flow before Extraordinary Items	<u>(12980059)</u>	<u>24332382</u>
Extraordinary items	<u>6875</u>	<u>42047</u>
Net cash used from Operating Activities	(12986934)	24290335
CASH FLOW FROM INVESTING ACTIVITIES		
Land	NIL	NIL
Sale of investments	NIL	NIL
Profit / (Loss) on Sale of Investment	NIL	NIL
Sale of Fixed Assets	NIL	NIL
Profit / (Loss) on Sale of Fixed assets	NIL	NIL
Net cash used in investing Activities	NIL	Nil
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term and other borrowings	0	(443485)
Net cash used in Financing Activities	0	(443485)
Net increase in cash and cash equivalents	(12986934)	23846850
Cash & Bank balance,at the beginning of the year	31882212	8035362
Cash & Bank balance at the end of the year	18895278	31882212

Place : Indore
Date : 31st August, 2007

For and on behalf of the Board

Sd/-
S. S. BHATIA
Executive Director & CEO

Sd/-
J. K. JAIN
Director

Sd/-
SUNILA RAO
Company Secretary

AUDITORS' CERTIFICATE

We have examined the above Cash Flow Statement of Bhatia Industries & Infrastructure Limited, for the year ended 31st March, 2007. The statement has been prepared in accordance with the requirement of listing agreement Clause 32 with stock exchange and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report on 31.08.2007 to the Members of the Company.

For R.S. BANSAL & Co.
Chartered Accountants

Sd/-
VIJAY BANSAL

Partner
Membership No.75344

Place : Indore
Date : 31st August, 2007



**ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE
COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE**

REGISTRATION DETAILS

Registration No.	7767	State Code	10
Balance Sheet Date	31.03.2007		
Capital raised during the year	Public Issue	Nil	Right Issue
		Nil	NIL
	Bonus Share	Nil	Private Placement
		Nil	NIL

Position of Mobilisation and Development of funds (Amount in Rs. Thousand)

Sources of funds	Total Liabilities	55173.68	Total Assets	55173.68
	Paid up Capital	33000.00	Reserve & Surplus	22173.68
	Secured Loan	Nil	Unsecured loan	NIL
Application of Funds	Net Fixed Assets	894.91	Investment	209.00
	Net Current Assets/Misc. Expenditure	54069.77	Misc. Expenditure	NIL
	Accumulated Losses	NIL		

Performance of Company (Amount in Rs. Thousand)

Turnover	209951.35	Total Expenditure	188733.62
Profit/(Loss) Before Tax	21215.38	Profit/Loss After Tax	13313.85
Earning Per Share in Rs.	4.03	Dividend Rate	NIL

Generic names of Three Principal Products / Services of Company (as per Monitory Terms)

Item Code No.	NIL	Product Description	Coal Trading Business
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For and on behalf of the Board

Sd/-
S. S. BHATIA
Executive Director & CEO

Sd/-
J. K. JAIN
Director

Sd/-
SUNILA RAO
Company Secretary

Place : Indore
Date : 31st August, 2007



BHATIA INDUSTRIES & INFRASTRUCTURE LIMITED

BHATIA INDUSTRIES & INFRASTRUCTURE LIMITED

(formerly known as BCC Finance Limited)

Regd.off.: BCC House, 8/ 5 Manoramaganj, Navratan Bagh Main Road, Indore (M.P.)

PROXY FORM

I/We _____ of _____

being a member/ members of Bhatia Industries & Infrastrastructure Limited (Previously Known as BCC Finance Ltd.)

hereby appoint _____ of _____ or fail-

ing him _____ of _____ as my/ our proxy

to attend and vote for me/ us, on my / our behalf at the Fourteenth Annual General Meeting of the Company to

be held on Saturday, the 29th day of September, 2007 at 3.00 P.M. at 'BCC House', 8/5, Manormaganj, Navratan

Bagh Main Road, Indore and at any adjournment thereof.

Signed this _____ day of _____ 2007 Folio No./ Client ID No. _____

No. of Shares _____ Signature _____

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself
2. The proxy need not be a member of the Company.
3. Proxies must reach the Company's Registered Office not less than 48 hours before the meeting.

Affix 1 Re.
Revenue
Stamp

BHATIA INDUSTRIES & INFRASTRUCTURE LIMITED

(formerly known as BCC Finance Limited)

Regd.off.: BCC House, 8/ 5 Manoramaganj, Navratan Bagh Main Road, Indore (M.P.)

ATTENDANCE SLIP

Folio No. / Client ID No. _____

No. of Shares _____

(To be filled in by the Member)

I hereby record my presence at the Fourteenth Annual General Meeting of the Company being held at the registered office of the Company on Saturday, the 29th September, 2007 at 3.00 P.M.

Member's Signature

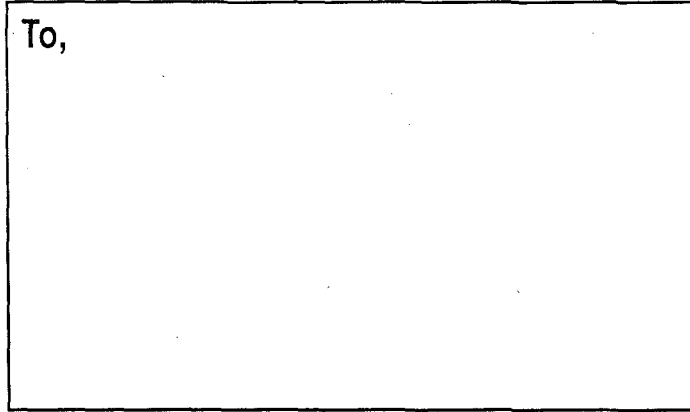
Notes

1. A Member/ Proxy attending the meeting must complete this Attendance Slip and hand it over at the entrance of meeting hall.
2. Member intending to appoint a Proxy, should complete the Proxy Form given above and deposit it at the Company's Registered Office not later than 48 hours before commencement of the Meeting.

Proxy's Signature

BOOK-POST

To,



Salony, 98270 95626

If Undelivered please return to :
Bhatia Industries & Infrastructure Limited
Regd. Off.: "BCC HOUSE" 8/5, Manoramaganj,
Navratan Bagh Main Road, Indore-1