

14th

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

S.No.	Contents	Page No.
1.	Notice of Annual General Meeting	1
2.	Directors Report and its Annexures	2
3.	Report on Corporate Governance	4
4.	Management Discussion and Analysis	9
5.	Auditors' Report and its Annexures	10
6.	Balance Sheet	13
7.	Profit and Loss Account	14
8.	Schedules forming part of Accounts	15
9.	Cash Flow Statement and Auditors' report	21
10.	Balance Sheet Abstract and Company's General Business Profile	22
11.	Proxy Form / Attendance Slip	23



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



BHATIA INDUSTRIES & INFRASTRUCTURE LIMITED

DIRECTORS' REPORT

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.



BHATIA INDUSTRIES & INFRASTRUCTURE LIMITED

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.