

Bhatia Industries & Infrastructure Limited

(formerly known as "*BCC Finance Limited*")



BHATIA GROUP

18th
ANNUAL REPORT
2010-2011



Corporate Information

BOARD OF DIRECTORS

Mr. Surinder Singh Bhatia	:	Executive Director & CEO
Mr. Manjeet Singh Bhatia	:	Director
Mr. Jitendra Kumar Jain	:	Director
Mr. Lal Krishna Thanvi	:	Director

REGISTERED OFFICE

“BCC House”, 8/5, Manoramaganj,
Navratan Bagh Main Road,
Indore (M.P.) 452 001

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Ashok Mishra

BANKERS

Bank of India
Central Bank of India
State Bank of India
IndusInd Bank Limited

AUDITORS

M/s. R.S.Bansal & Co.
Chartered Accountants,
Urvashi , 3, Jaora Compound,
Indore (M.P.) 452001

REGISTRAR & SHARE TRANSFER AGENT

M/s. Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West), Mumbai- 400 0780



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Important Communication to Members

- The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that services of notice/documents including Annual Report can be sent by e-mail to its member. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail id with Company / Registrar and Transfer Agent, M/s. Link Intime India Private Limited.
- Demat your shares : Members are requested to convert their physical shareholdings to demat / electronic form through any of the nearest depository participants (DPs) to avoid the hassles as possibility of loss, mutilation, etc. and also to ensure safe and speedy transactions in the securities.
- Register Nominations : To help your successors get the shares transmitted in their favour, please register your nomination. Members desirous of availing this facility may submit nomination form which can be obtained from Link Intime India Private Limited. Members holding shares in dematerialized form are requested to register their nomination directly with their respective DPs.



NOTICE

NOTICE is hereby that the Eighteenth Annual General Meeting of the Members of the Company will be held on Monday, the 27th day of June, 2011, at 11:00 A.M. at 9/4, Manoramaganj, Navratan Bagh Main Road, Indore to transact the following business:

ORDINARY BUSINESS

- 1) To consider, approve and adopt the Balance Sheet of the Company as on 31st March, 2011 and Profit and Loss Account for the year ended on that date and the report of the Statutory Auditors' and the Directors' thereon;
- 2) To declare dividend of Rs. 2.00 per share on 2% Cumulative Redeemable Preference Shares of the Company;
- 3) To declare dividend of Rs. 2.00 per share on the Equity Shares of the Company;
- 4) To appoint a director in place of Shri Manjeet Singh Bhatia who retires by rotation and being eligible offers himself for re-appointment;
- 5) To appoint Statutory Auditors of the Company for the year 2011-2012 and to fix their remuneration. The retiring Auditors of the Company M/s. R. S. Bansal & Co. Indore, are eligible for re-appointment.

SPECIAL BUSINESS :

ITEM NO.6 : INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY

To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of section 94, 16 and 31 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956, the authorized share capital of the Company be increased from Rs. 12,00,00,000/- (Rupees Twelve Crores) divided into 40,00,000 Equity Shares of Rs. 10/- each and 8,00,000 2% Cumulative Redeemable Preference Shares of Rs. 100/- each to Rs. 23,00,00,000/- (Rupees Twenty Three Crores) divided into 1,50,00,000 Equity Shares of Rs. 10/- and 8,00,000 2% Cumulative Redeemable Preference Shares of Rs. 100/- each new Equity Shares ranking pari passu with the existing equity shares of the Company and that Clause V of the Memorandum of Association and Article 3 of the Articles of Association of Company be altered accordingly to read as under:

"The Share Capital of the Company shall be Rs. 23,00,00,000/- (Rupees Twenty Three Crores) divided into 1,50,00,000 Equity Shares of Rs. 10/- and 8,00,000 2% Cumulative Redeemable Preference Shares of Rs. 100/- each with power to the Company to increase, divide, sub-divide into various classes of shares and attached thereto such preferential/deferred, special right/privileges/ conditions as may be determined by the Company in accordance with Articles of Association and the provisions of Companies Act, 1956."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do such act, deeds and things as may necessary to give effect to aforesaid resolution."

ITEM NO.7 : TO AUTHORISE THE BOARD OF DIRECTORS FOR CREATION OF MORTGAGE/ CHARGE ON ALL OR ANY OF THE MOVABLE OR IMMOVABLE PROPERTIES OF THE COMPANY

To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution:

"RESOLVED THAT in modification to the earlier resolution passed by the members of company in terms of provisions of Section 293(1)(a) and all other applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board") to create mortgage, charge or hypothecation in addition to the existing mortgages, charges or hypothecation created/to be created by the Company in such form and with such ranking and at such time and on such terms and conditions as the Board may determine, on all or any of the moveable or immovable properties of the Company, both present and future and/or the whole or any part of the undertakings of the Company subject to the limits approved under Section 293(1)(d) of the Companies Act, 1956, together with interest at respective agreed rates, in respect of the fund based/ non fund based/ working capital limits/ loans/ borrowings/debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the lenders viz., financial institution(s), nationalised bank(s)/ private bank(s) or any other lending institution(s) however, the properties so charged or mortgaged or hypothecated by the Board shall not exceed Rs. 500.00 Crore (Rupees Five Hundred Crore only) at any one time."

"RESOLVED FURTHER THAT in order to give effect to this resolution the Board be and is hereby authorised to finalize, settle and execute on behalf of the Company such documents, deeds, writings, papers, agreements as may be required and do all such acts, deeds, matters and things as may be necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/charges/ hypothecation as aforesaid."

ITEM NO.8: TO AUTHORISE THE BOARD OF DIRECTORS OF THE COMPANY TO BORROW MONEY IN EXCESS OF THE PAID-UP CAPITAL AND FREE RESERVES OF THE COMPANY



To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution:

“RESOLVED THAT in modification to the earlier resolution passed by the members of company in terms of provisions of Section 293(1) (d) and all other applicable provisions, if any of the Companies Act, 1956, the Company be and is hereby, accords its consent to the Board of Directors of the Company (hereinafter referred to as “the Board”) to borrow any sums of money from time to time, at its discretion either from the Company’s bank or any other nationalized or private bank(s), or any other lending institutions and/or from any one or more persons, firms, Bodies Corporate and from any other persons or combination thereof whether by way of fund based (cash credit) / non fund based (inland or foreign LC / bank guarantee), working capital limits, term loans, overdrafts, advance or deposits, debentures or bills discounting or otherwise and whether unsecured or secured by way of mortgage, charge, hypothecation, lien or pledge of Company’s assets and properties, whether in full or in part whether movable or immovable, current assets and all or any of the undertakings of the Company, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business), will or may exceed at any time the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, by a sum not exceeding Rs. 500.00 Crore (Rupees Five Hundred Crore only).

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do such act, deeds and things as may necessary in this regard.”

ITEM NO.9: TO CONSIDER EXTENDING CORPORATE GUARANTEE, PROVIDING SECURITY OR MAKE INVESTMENT IN TERMS OF THE PROVISIONS OF SECTION 372A OF THE COMPANIES ACT, 1956

To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution:

“RESOLVED THAT in modification to the earlier resolution passed by the members of company in terms of provisions of Section 372A and other applicable provisions of the Companies Act, 1956, Company be and is hereby accords its consent to the Board of Directors to acquire by way of subscription, purchase or otherwise the securities of any other body corporate or to give guarantee or provide security in connection with various Credit Facilities (including Fund Based and Non Fund Based Limit) which may be given to anybody corporate by various Banks/ Financial Institutions in the ordinary course of business on such terms and conditions as may be agreed by the Board of Directors of the Company, provided that the aggregate of the investment so far made, the amount for which guarantee or security so far provided to or in all other bodies corporate, alongwith the investment, guarantee or security proposed to be made or given by the Board shall not exceed Rs. 500.00 Crore (Rupees Five Hundred Crore only).”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do such act, deeds and things as may necessary in this regard.”

ITEM NO.10: ALTERATION OF ARTICLES OF ASSOCIATION

To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Clause 9A of the Articles of Association of the Company be and is hereby inserted after existing Clause 9 to read as under :

CAPITALIZATION OF PROFITS AND RESERVES

9A. (1) The Company upon passing a resolution at its Board Meeting resolve:

- (a) that it is desirable to capitalize any part of the amount for the time being standing credit of any of the Company’s reserve account or to the credit of the Profit and Loss Account, or to the credit of share premium account or otherwise available for distribution and*
- (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who could have been entitled thereto if distributed by way of dividend and in the same proportion.*

(2) The sum aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) in or towards:

- (i) Paying up any amount for the time being unpaid on any shares held by such member respectively;*
- (ii) Paying in full, unissued shares of the Company to be allotted and distributed credited as fully paid bonus shares to and amongst such members in the proportion aforesaid; or*
- (iii) Partly in the way specified in sub clause (i) and partly in that specified in sub clause (ii).*

(3) A share premium account and a capital redemption reserve account may, for the purpose of this regulation, only be applied in the paying up to the un-issued shares to be issued to members of the Company as fully paid bonus shares.

(4) The Board shall give effect to the resolution passed regarding fully paid bonus shares.”



"RESOLVED FURTHER THAT the Board be and is hereby authorized to do such act, deeds and things as may necessary to give effect to aforesaid resolution."

ITEM NO.11: ISSUE OF BONUS SHARES

To consider and if thought fit to pass with or without modifications the following resolution as an Special Resolution:

"RESOLVED THAT in terms of provisions of Article 9A of the Articles of Association of the Company and subject to the guidelines issued by the Securities and Exchange Board of India under Chapter IX of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 for issue of bonus shares and approval of the Reserve Bank of India, approval of the members of the Company be and is hereby accorded for capitalization of the profits and reserves to the extent of Rs. 9,90,00,000/- (Rupees Nine Crores Ninety Lacs) as per the audited books of the Company, for issue of 99,00,000 (Ninety Nine Lacs) fully paid-up equity shares of Rs. 10/- each out of the un-issued equity share capital of the Company as bonus shares to the existing equity shareholders, in the ratio of 3 (Three) equity share for each equity share held by the shareholders whose names are appearing in the list of members of the Company on such date as the board may declare as record date."

"RESOLVED FURTHER THAT the new equity shares so issued shall rank *pari-passu* in all respects with and carry the same rights as that of existing fully paid-up equity shares of the Company and shall be entitled to participate in full in any dividend to be declared in respect of the financial year in which the allotment of new equity shares pursuant to this resolution is made."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do such act, deeds and things as may necessary to give effect to aforesaid resolution."

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

Place: Indore
Date: 30th May, 2011

**Ashok Mishra
Company Secretary**



NOTES :

- 1) **A MEMBER ENTITLED TO ATTEND ANNUAL GENERAL MEETING AND VOTE THEREAT IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE VALID MUST BE DEPOSITED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME FOR THE MEETING.**
- 2) The Register of Members and the Share Transfer Books of the Company shall remain closed for the purpose of Annual General Meeting from Saturday, 11th June, 2011 to Sunday, 12th June, 2011 (both days inclusive).
- 3) Shareholders having any query or desiring any information pertaining to annual accounts are requested to write to the Company at an early date to enable the Company to reply the queries suitably at the time of the annual general meeting.
- 4) 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. Manjeet Singh Bhatia, who retires by rotation at the ensuing Annual General meeting and being eligible offers himself for re-appointment.

Mr. Manjeet Singh Bhatia, aged 50 years, is a Commerce graduate with more than 18 years of extensive experience in Coal trading and Washery business. Presently, he is holding position as Director in the Company. He was appointed as First Director and is the member of the Audit Committee and the Shareholders' Grievances and Share Transfer Committee of the Company. He holds Directorship in two other companies viz., Bhatia International Limited and Reliance Services and Consultants Limited. In addition to this he is the member of Remuneration Committee of Bhatia International Limited. He holds 164810 equity shares of the Company.

- 5) Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the member.
- 6) Members holding shares in electronic form are requested to intimate immediately any changes in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company/ Registered and Transfer Agents, M/s Link Intime India Private Limited.
- 7) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Accountant Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Member holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents, M/s Link Intime India Private Limited.

EXPLANATORY STATEMENTS:

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No.6

Presently the authorised share capital of the Company is Rs.12,00,00,000/- (Twelve crore) divided into 40,00,000 Equity Shares of Rs. 10/- each and 8,00,000 2% Cumulative Redeemable Preference Shares of Rs. 100/- each. In order to issue shares to the existing equity shareholders of the Company against capitalization of profits and reserve by way of bonus shares, it is proposed to increase the authorised share capital of the Company from the present level of Rs.12,00,00,000/- (Twelve crore) to Rs.23,00,00,000/- (Twenty Three Crore).

The new Equity Shares shall rank pari passu with the existing equity shares of the Company in all respects.

Consequent to increase in the authorized share capital Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Company shall also be altered in pursuance of Section 16 and 31 of the Companies Act, 1956.

Your Directors recommend to pass the resolution given at item no.6 of the notice as Special Resolution. None of the Directors of your Company are interested in the said resolution.

Item No. 7 & 8

Presently the prescribed limit in terms of provisions of Section 293 (1) (a) and 293 (1) (d) of the Companies Act, 1956 is Rs. 250 Crores. The Company is in the process of expansion of its business needs fund to meet out the capital expenditures. These funding requirements shall be met by way of borrowing from various financial institutions/ banks etc. from time to time. Hence, the consent of the shareholders is sought in accordance with the provisions of Section 293(1) (d) of the Companies Act, 1956, to enable the Directors to borrow money to the extent of Rs. 500.00 crores.



The proposed borrowings shall be secured by way of charge, mortgage or hypothecation on the assets of the Company in favour of the lenders, hence it is further required to authorize the Board of Directors under Section 293(1) (a) of the Companies Act, 1956, for creation of charges, mortgages or hypothecation for an amount not exceeding the borrowing limit of Rs. 500.00 crores.

The Directors recommend the passing of the resolutions in item no. 7 and 8 of the notice for the approval of the members as Special Resolutions.

None of the Directors of your Company are interested in the said resolutions.

Item no. 9

Your Company intends to invest its funds in various bodies corporate and provides corporate guarantee or security to various bodies corporate for the Credit Facilities sanctioned to them by various Banks/ Financial Institutions from time to time. The provisions of Section 372A of the Companies Act, 1956 permits the Board of Directors of the Company to acquire by way of subscription, purchase or otherwise the securities of any other body corporate or give guarantee or provide security in connection with the various Credit Facilities which may be given to anybody corporate by various Banks/Financial Institutions upto the limit 60% of paid up capital and free reserves or 100% of free reserves of the Company whichever is higher. Presently the members of the Company vide resolution dated 30.09.2006 has authorised Board of Directors to an extent of Rs. 250 crores and now it is proposed to increase the said limit to an extent of Rs. 500 crores.

In view of the above and as per the provisions of Section 372A of the Companies Act, 1956 the Board recommends to pass the said resolution as set out at item no.9 of the Notice as the Special Resolution.

None of the Directors of your Company are interested in the said resolution.

Item no. 10

Presently the Articles of Association does not contain the provision for Capitalization of Profit and Reserves. Having regard to the accumulated reserves the Board proposes to issue Bonus Shares by way of Capitalization of Profit and Reserves. Hence it is proposed to alter the present article of association of the Company by inserting new Clause 9A after existing Clause 9 of the Article of Association of the Company.

Section 31 of the Companies Act, 1956 requires approval of members of the Company by way of special resolution. The Board of Directors recommends the members to pass the resolution at Item No. 10 as a special resolution.

The directors of the Company may be deemed interested in the resolution to the extent fresh shares may be allotted to them out of the proposed fresh issue by way of Capitalization of Profit and Reserves or otherwise.

Item no. 11

The Company came out with its public issue during the year 1997 and since then ploughing back its profits every year into the business and expansion activities into the Company were taking place year by year. This resulted into accumulation of profits and reserves into the Company.

The Board of Directors of the Company is of the view that the shareholders of the Company, who have invested their money into the business of the Company for several years, must be rewarded suitably by way of capitalization of those accumulated profits and reserves.

The members are requested to pass the proposed resolution as special resolution. The Board recommends, passing of the resolution.

The directors of the Company may be deemed interested in the resolution to the extent fresh shares may be allotted to them out of the proposed fresh issue by way of bonus shares or otherwise.

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

**Place: Indore
Date: 30th May, 2011**

**Ashok Mishra
Company Secretary**

**DIRECTORS' REPORT**

To,
The Members,
Bhatia Industries & Infrastructure Limited
Indore

Your Directors have pleasure in presenting the Eighteenth Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March, 2011.

FINANCIAL RESULTS

The summary of the financial result of the Company for the year under review are as under:

(Rs. in Lacs)

Particulars	For the year ended 31.03.2011	For the year ended 31.03.2010
Sales	24485.02	3649.92
Profit / (Loss) before Depreciation, Interest & Tax	1696.38	208.54
Less : Depreciation	-	-
Interest & Financial Charges	137.25	34.50
Profit / (Loss) before tax	1559.13	174.04
Add/(Less) : Prior period adjustments	-	0.16
Add/(Less) : Provision for Income-Tax	(520.00)	(59.44)
Profit/(Loss) after Tax	1039.13	114.76
Less : Transfer to General Reserve	78.00	-
Less : Transfer to Capital Redemption Reserve	114.29	114.29
Less : Dividend on Preference Shares	16.00	16.00
Less : Dividend on Equity Shares	66.00	-
Less : Dividend Distribution Tax	13.62	2.66
Add : Balance brought forward from last year	296.01	314.19
Balance carried forward to Balance Sheet	1047.24	296.01

PERFORMANCE REVIEW

During the year under review, your Company has posted Sales of Rs. 24,485.02 Lacs and Profit after Tax of Rs. 1,039.13 Lacs. The Sales of the Company has increased by 570.84% and Profit after Tax has increased by 805.48% as compared to the previous year. The strategies of planned procurement and marketing system have boosted the company to compete in the market and earn good profits.

DIVIDEND

Having regard to the splendid performance of the Company, your Directors are pleased to recommend payment of dividend on 2% Cumulative Redeemable Preference Shares and Dividend of 20% on the paid-up Equity Share Capital of the Company, which works out to Rs.2.00 per share on 33,00,000 equity shares of Rs. 10/- each for the financial year ended 31st March, 2011.

ISSUE OF BONUS SHARES

Your Directors recommend issue of Bonus shares in the ratio of 3:1 i.e. three equity shares for every existing equity share of the Company held by the Members on the record date as may be fixed by the Board of Directors of the Company in consultation with Bombay Stock Exchange. The proposed issue of bonus shares is subject to the consent of the shareholders at the forthcoming Annual General Meeting. The bonus shares shall rank *pari passu* in all respects with the existing fully paid up equity shares of the Company, including any dividend declared for the financial year in which the bonus shares are allotted.

PUBLIC 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.

DIRECTORS

Mr. Manjeet Singh Bhatia, Director of the Company shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.



COMPANY SECRETARY & COMPLIANCE OFFICER

The Company has appointed Mr. Ashok Mishra as Company Secretary and Compliance Officer of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to 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) Appropriate accounting policies have been selected and applied consistently and judgments and estimates made 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) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
- (iv) The annual accounts have been prepared on a going concern basis.

STATUTORY AUDITORS

M/s. R.S. Bansal & Co., Chartered Accountants, Indore, the statutory auditors of the Company, shall retire at the ensuing Annual General Meeting and are eligible for re-appointment. 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. The Board recommends their re-appointment as statutory auditors for the current year.

AUDITORS' REPORT

Pursuant to the comments made by the Auditors, 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 information relating to Foreign Exchange Earnings and Outgo is given in the Annexure to the report

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 the Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended.

CORPORATE GOVERNANCE REPORT

The Company has complied with the Corporate Governance Code as stipulated under Clause 49 of the listing agreement with the stock exchanges. A separate section on Corporate Governance, along with a certificate from Practicing Company Secretary confirming the compliance 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.

LISTING

The shares of the Company are listed on Bombay Stock Exchange - Mumbai, Ahmedabad Stock Exchange - Ahmedabad and Madhya Pradesh Stock Exchange - Indore. The Board of Directors has approved the application for voluntary delisting of shares from the Madhya Pradesh Stock Exchange, Indore and Ahmedabad Stock Exchange, Ahmedabad. Delisting of shares shall be completed in due course of time with approval of the concerned Stock Exchanges.



ACKNOWLEDGEMENT

The Board of Directors would like to place on record their sincere appreciation to all the Central and State Government Authorities, Banks and all the stakeholders of the Company for extending their timely support and guidance. Also the Board wishes to place their sincere appreciation to the employees for the services rendered by them.

For **Bhatia Industries & Infrastructure Limited**

Place: Indore
Date: 30.05.2011

Jitendra Kumar Jain
Director

Lal Krishna Thanvi
Director

**ANNEXURE TO DIRECTORS' REPORT****PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURES OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988**

Form A (Rule 2)

A. CONSERVATION OF ENERGY

Not applicable, since the Company is engaged in trading activities.

Form -B (Rule 2)

RESEARCH AND DEVELOPMENT

Not applicable

B. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Total Foreign Exchange used and earned

(Rs. in Lacs)

Sr. No.	Particulars	Current year	Previous year
1	Total Foreign Exchange Earned	--	--
2	Total Savings in Foreign Exchange Through products manufactured by the Division and deemed exports	--	--
3	Total Foreign Exchange used	8379.23	1708.74

For **Bhatia Industries & Infrastructure Limited**Place: Indore
Date: 30.05.2011**Jitendra Kumar Jain**
Director**Lal Krishna Thanvi**
Director

**MANAGEMENT DISCUSSION AND ANALYSIS****1. INDUSTRY STRUCTURE AND DEVELOPMENTS:**

The Indian coal industry continues to evolve as industrial growth maintains pace. Within Country coal supplies flagging, Indian buyers are increasingly turning to imports to meet demand. India's coal production is lagging demand. Due to fixed Government pricing that makes it difficult for coal mines to turn a profit. The coal industry is already a crowded space, with several nations competing for imports & to buy mines. Sudden addition of an aggressive buyer like India putting upward pressure on coal trade prices. Coal imports to India reached 90 MT in 2010 and are further expected to touch 110 MT in 2011 despite current high prices. This has been a reflection of growth in the economy.

During the year, the Company has dealt in 68358.45 Metric Tons of indigenous and 735905.37 Metric Tons of imported coal.

2. OPPORTUNITIES AVAILABLE:

The Company is mainly into the business of Infrastructure and real estate business. In view of the same, Company has procured 3.01 acres of land at the prominent location for the purpose of dealing in real estate sector. During the year Company has sold 4.78 acres of land in due course of business. The Board of Directors foresees good response in coming future. The company is committed to bring a township containing residential and commercial establishments in the mid city of Indore, in the State of Madhya Pradesh.

3. INTERNAL CONTROL SYSTEMS:

The Company has a proper and adequate Internal Control System to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and those transactions are authorized, recorded and reported correctly.

The Company, in consultation with its Statutory Auditors, periodically reviews and ensures the adequacy of Internal Control Procedures for the orderly conduct of business and also includes a review to ensure overall adherence to management policies and applicable laws & regulations. The Company's internal audit team carries out extensive audits throughout the year, across all functional areas, and submits its reports to the Audit Committee of the Board of Directors.

4. HUMAN RESOURCES DEVELOPMENTS:

During the year under review, the Company continued its emphasis on Human Resource Development as one of the critical area of its operation.

Executives and officers of the Company having high potential in the field of Finance, Accounts, Marketing and Computer were regularly meet at the head office with a view to update their knowledge and to keep them abreast of the present scenario for meeting the challenges ahead.

The year witnessed recruitment of prominent, proficient and distinguished personnel at key positions in the organization. This search for the highest degree of intellectual capital to enrich our professional and technical milieu is perennial one at the company. The Company organizes periodical trainings to encourage and develop vital human resource. All the efforts are aimed to ensure develop and nurture the entrepreneurial attitude and skill among the employ.

5. FINANCIAL PERFORMANCE:

The financial statements have been prepared in compliance with the requirement of the Companies Act 1956 and Generally Accepted Accounting Principles (GAAP) in India.

Balance Sheet**Share Capital**

The Company has two classes of shares viz. Equity Shares of par value of Rs.10/- each and 2% Cumulative Redeemable Preference Shares of Rs. 100/- each. During the year under review there was no change in the capital structure of the Company.

Fixed Assets:

The Gross block of the fixed assets is Rs. 8.94 Lacs. During the year under review Company has sold land at a sales consideration of Rs. 46.11 Lacs.

Sales & other Incomes

During the year under review, the Company has posted profit after tax of Rs. 1039.13 Lacs with turnover (including other Incomes) of Rs. 25206.78 Lacs. The profit after tax was increased by 805.48% as compared to the previous year as the total expenditure of the Company was increased marginally from Rs. 2213.79 Lacs to Rs. 23647.65 Lacs in the year under review.

Profit and Appropriation

The company has posted PBT of Rs. 1559.13 Lacs during the financial year ended on 31.03.2011. The available surplus of 2010-11 has been apportioned to the extent of Rs. 95.62 Lacs for proposed dividend and tax thereon and Rs. 114.29 Lacs have been transferred to the Capital Redemption Reserve. The Company has also transferred Rs. 78.00 Lacs to General Reserve in terms of Companies (Transfer of Profits to Reserves) Rules, 1975. The remaining surplus of Rs. 1047.23 Lacs has been carried to the Balance Sheet.

6. CAUTIONARY STATEMENT:

The statements, objectives and estimates provided in the said 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, the Listing Agreements and all other applicable rules and regulations. The actual performance may vary depending on the market fluctuations, changes in Government policies, rules and regulations change in economic conditions nationally as well as internationally.



REPORT ON CORPORATE GOVERNANCE

(In terms of Clause 49 of the Listing Agreement)

1. PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a mode of ensuring maximum returns to its stakeholders by adhering to best practices and codes of conduct in letter and spirit. The various corporate governance practices implemented by the Company in compliance with Clause 49 including the amendments thereof of the listing agreements are as follows:

2. BOARD OF DIRECTORS

- A. The Board of Directors of the Company comprises of four Directors, out of which one is Executive Director, two are Independent Directors and one non-independent Director. All the members are competent and well experienced.
- B. Attendance of each Director at the Meeting of Board of Directors and the last Annual General Meeting and details of memberships of Directors in other Boards and Board Committee.

Details of the Board Meetings held during the year 2010-2011 are as follows:

Name & Category	No. of meetings held during the year	No. of Board Meetings attended during 2010-2011	Whether attended AGM held on 25 th September, 2010	No. of Directorships in other Companies	No. of Committee Positions held in other Companies
Mr. Surinder Singh Bhatia, Executive Director and CEO	09	09	Yes	12	01
Mr. Manjeet Singh Bhatia, Director	09	01	Yes	03	Nil
Mr. Jitendra Kumar Jain, Director	09	09	Yes	09	03
Mr. L.K. Thanvi, Director	09	04	Yes	01	Nil

Nine Board Meetings were held during the year on the following dates 14.05.2010, 31.05.2010, 07.08.2010, 30.08.2010, 11.10.2010, 15.11.2010, 20.12.2010, 14.02.2011 and 24.02.2011. The gap between any two meetings did not exceed four months.

- C. The Company is committed to conduct its business in conformity with ethical standards and applicable laws and regulations. This commitment stands evidenced by the Code of Conduct adopted by the Board of Directors which is applicable to each member of the Board of Directors and senior management of the Company. The Board of Directors and Senior Management of the Company have confirmed regarding compliance with the said Code for the year ended 31st March, 2011.

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: Mumbai
Date: 26th May, 2011

Sd/-
Surinder Singh Bhatia
Executive Director & CEO



3. COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

The audit committee of the Company has been constituted in accordance with the norms specified under Clause 49 of the listing agreement and in terms of the provisions of the terms of reference are established in consonance with the stipulations of listing agreement. The Audit Committee comprises of Mr. J.K. Jain as the Chairman with Mr. L.K.Thanvi and Mr. Manjeet Singh Bhatia as other two members. The members of the Audit Committee have requisite financial and management expertise.

The broad terms of reference of Committee includes:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

In the financial year 2010-2011 the Audit Committee met five times i.e. on 14th May, 2010, 7th August, 2010, 30th August, 2010, 15th November, 2010 and 14th February, 2011.

The Company Secretary of the Company acted as Secretary of the Committee. The Chairman of Audit Committee was present at the General Meeting of the Company.

B. REMUNERATION COMMITTEE

None of the Directors are paid remuneration or the sitting fees. 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 has been constituted by the Board of directors and the broad terms of reference of the Committee are:

1. The Committee inter alia approves issue of duplicate share certificates and reviews all matters connected with the securities transfers.
2. The Committee also looks into redressal of shareholders complaints like transfer of shares, non receipt of Balance Sheet, dividend, refund orders etc.
3. The Board of Directors in order to expedite the process of share transfers has delegated the power of share transfer to the M/s Link Intime India Private Limited as registrar and share transfer agent of the Company.
4. The committee reviews the performance of M/s Link Intime India Private Limited from time to time.

The committee comprises of three members viz., Mr. S.S.Bhatia, Mr. M.S.Bhatia and Mr. J.K.Jain.

All the requests received for share transfers and demat are processed and approved by the share transfer agent which are registered and returned within 30 days from the date of lodgment subject to the documents submitted along with it are in order.

4. GENERAL BODY MEETINGS

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

Annual General Meeting	Venue	Date & time	Whether Special Resolution Passed
15th Annual General Meeting	'BCC House', 8/5, Manoramaganj, Navratan Bagh Main Road, Indore (M.P.)-452 001	30.09.2008 at 3.00 p.m.	No
16th Annual General Meeting	'BCC House', 8/5, Manoramaganj, Navratan Bagh Main Road, Indore (M.P.)-452 001	30.09.2009 at 3.00 p.m.	No
17th Annual General Meeting	'BCC House', 8/5, Manoramaganj, Navratan Bagh Main Road, Indore (M.P.)-452 001	25.09.2010 at 12.00 Noon	No

5. DISCLOSURES

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

The appropriate disclosure for the transactions entered with the related party is made in notes to the accounts which form part of this annual report.

- b. No instances of non-compliances 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 English and Hindi 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. Eighteenth Annual General Meeting**

Day & Date	:	Monday, the 27 th day of June, 2011
Time	:	11:00 A.M.
Venue	:	9/4, Manoramaganj, Navratan Bagh Main Road, Indore-452001 (M.P.)
Email	:	cs@bhatiacoalindia.com



b. Financial Calendar

The Company follows the period of 1st April to 31st March, as Financial Year.

For the Financial year 2011-12 the results will be announced as per the following tentative schedule, subject to Listing Agreement :

Financial reporting for the	:	Date of reporting
Quarter ended 30th June, 2011	:	Second week of August, 2011
Quarter ended 30th September, 2011	:	Second Week of November, 2011
Quarter ended 31st December, 2011	:	Second Week of February, 2012
Quarter/year ended 31st March, 2012	:	Second Week of May, 2012

c. **Date of Book Closure** : 11th June, 2011 to 12th June, 2011 (both days inclusive).

d. Dividend payment date :

Equity Shares : On or after 27th June, 2011
Preference Shares : On or after 27th June, 2011

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

The shares of the Company are listed on Madhya Pradesh Stock Exchange - Indore, Bombay Stock Exchange - Mumbai and Ahmedabad Stock Exchange - Ahmedabad. The Board of Directors has approved the application for voluntary delisting of shares from the Madhya Pradesh Stock Exchange - Indore and Ahmedabad Stock Exchange - Ahmedabad. The share prices of the company's shares at a 52 week high/ low has been recorded as Rs. 110.25/ Rs.48.00 during year financial year 2010-2011. The high / low prices of the Company's script for the last three years are as follows:

Sr.No.	Year (s)	High Price* (Rs.)	Low Price* (Rs.)
01	2007-2008	254.90	13.10
02	2008-2009	177.00	33.50
03	2009-2010	96.00	33.70
04s	2010-2011	110.25	48.00

* Source : www.bseindia.com

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

MONTH	QUOTED PRICE AT BSE		BSE SENSEX	
	High (Rs.)	Low (Rs.)	High	Low
April-2010	60.50	55.35	18047.86	17276.80
May-2010	59.45	55.95	17536.86	15960.15
June-2010	55.00	48.00	17919.62	16318.39
July-2010	50.80	48.20	18237.56	17395.58
August-2010	65.90	50.00	18475.27	17819.99
September-2010	74.50	57.85	20267.98	18027.12
October-2010	74.90	60.00	20854.55	19768.96
November-2010	76.50	60.00	21108.64	18954.82
December-2010	110.25	61.80	20552.03	19074.57
January-2011	104.75	78.65	20664.80	18038.48
February-2011	87.00	64.00	18690.97	17295.62
March-2011	68.00	59.00	19575.16	17792.19

**g. Registrar and Transfer Agents :**

M/s Link Intime India Pvt. Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai – 400 078
Tel.: (022) 25963838
Fax: (022) 25946969
E-mail: mumbai@linkintime.co.in

h. Distribution of Shareholding as on 31st March, 2011**(a)**

Slab of Shareholders (1)	No. of Shareholders (2)	No. of Shares (3)	% of total amount (4)
1-500	757	130937	3.9680
501 to 1000	78	60217	1.8250
1001 to 2000	74	105011	3.1820
2001 to 3000	14	35726	1.0830
3001 to 4000	4	13547	0.4110
4001 to 5000	12	55434	1.6800
5001 to 10,000	17	122783	3.7210
Above 10,000	25	2776345	84.1310
Total	981	3300000	100.000

(b)

Sr. No. (1)	Categories (2)	No. of Share Holders (3)	No. of Shares (4)	% of Total Shares (5)
1.	Promoters, Directors & their relatives	17	1905790	57.752
2.	Bodies Corporate	63	596106	18.064
3.	NRI / OCBs	2	200	0.006
4.	Banks/ Financial Institutions	--	--	--
5.	General Public	899	797904	24.178
	Total	981	3300000	100.000

i. Dematerialization of Shares

About 93.52% 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, 2011.

j. Cumulative redeemable preference shares

Company has issued 8,00,000, 8% Cumulative redeemable preference shares of Rs. 100/-each on 7th May, 2007 to the promoters of the Company. The rate of interest over the Cumulative redeemable preference shares are reduced from 8% to 2% vide members' resolution dated 6th June, 2009 and the same are not listed with any of the stock exchange.

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

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments.

l. Plant locations

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



m. Address for correspondence

Bhatia Industries and Infrastructure Limited
"BCC House", 8/5, Manoramaganj,
Navratan Bagh Main Road,
Indore (M.P.) 452001
Tel.No.: (0731) 4200219 / 4200211
Fax : (0731) 4030102
E-mail : cs@bhatiacoalindia.com

8. COMPLIANCE CERTIFICATE FROM PRACTICING COMPANY SECRETARY:

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

For Bhatia Industries & Infrastructure Limited

**Place: Indore
Date: 30th May, 2011**

**Jitendra Kumar Jain
Director**

**Lal Krishna Thanvi
Director**



C E R T I F I C A T E
(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, 2011 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 in violation of the Company's code of conduct;
3. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or proposed to take to rectify these deficiencies;
4. I have indicated to the auditors and the Audit Committee that
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant 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 over financial reporting.

For Bhatia Industries & Infrastructure Limited

Place: Mumbai
Date: 26th May, 2011

Surinder Singh Bhatia
Executive Director & CEO

CERTIFICATE FROM PRACTICING COMPANY SECRETARY
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 (hereinafter referred to as 'the Company) for the year ended 31st March, 2011 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 Agents, no investors grievances are pending for a period exceeding one month against the Company as at 31st March, 2011.

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 Ajit Jain & Co.
Comany Secretaries

Place: Indore
Date: 30th May, 2011

CS Ajit Jain
CP No. 2876



AUDITORS' REPORT

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

We have audited the attached Balance Sheet of Bhatia Industries & Infrastructure Limited having Registered Office at "BCC House" 8/5, Manoramaganj, Navratan Bagh, Main Road, Indore as at 31st March, 2011 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 part of accounts.
2. Further to our comments in the annexure 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 Statement 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 representation received from the Directors, as on 31st March, 2011 and taken on record by the Board of Directors we report that none of the Directors is disqualified as on 31st March, 2011 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 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, 2011 and
 - ii) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on 31st March, 2011 and
 - iii) In the case of the Cash Flow Statement of the cash flows for the year ended on 31st March, 2011.

For R.S. Bansal & Co.
Chartered Accountants
FRN : 000939C

Place: Indore
Date: 30th May, 2011

VIJAY BANSAL
Partner
Membership No. 75344

**ANNEXURE TO THE AUDITORS' REPORT AS REFERRED IN PARAGRAPH THIRD OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF BHATIA INDUSTRIES & INFRASTRUCTURE LIMITED FOR THE PERIOD ENDED 31.03.2011.**

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 followed by the Management is reasonable and adequate in relation to the size of the company and the nature of its business. [Paragraph 4 (ii) (b)]
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. As per information and explanation given to us, the Company has not granted any unsecured loan during the year, hence this clause is not applicable [Paragraph 4 (iii) (a), (b), (c) & (d)]

LOAN TAKEN :-

8. As per information and explanation given to us, the Company has not taken any unsecured loan during the year, hence this clause is not applicable [Paragraph 4 (iii) (e), (f) & (g)]

INTERNAL CONTROL PROCEDURES :-

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. [Paragraph 4 (iv)]

TRANSACTION WITH PARTIES U/S 301 :-

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. [Paragraph 4 (v) (a)]

11. As per information and explanations provided to us, and also in absence of relevant record we are unable to comment upon whether all the transactions have been entered at prevailing market prices. [Paragraph 4 (v)(b)]

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 58 A of the Companies Act, 1956 and rules made there under. [Paragraph 4 (vi)]

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. [Paragraph 4 (vii)]

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. [Paragraph 4 (viii)]

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 31.03.2011 for a period of more than six months from the date they became payable. [Paragraph 4 (ix)(a)]
16. It has been explained and informed to us that all dues towards 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 :
[Paragraph 4 (ix) (b)]

Sr.No.	Particulars	Financial year which it relates	Forum Where Pending	Amount
1	Income Tax	1995-96	CIT (Appeals)	1,10,344/-
2	Income Tax	2001-02	CIT (Appeals)	1,96,579/-
3	Income Tax	2003-04	CIT (Appeals)	2,49,228/-
4	Income Tax	2004-05	CIT (Appeals)	12,60,556/-
5	Income Tax	2005-06	CIT (Appeals)	1,77,993/-
6	Stamp Duty	2004-05	Revenue Board, Gwalior	10,62,000/-



ACCUMULATED / CASH LOSSES :-

17. The Company has no accumulated losses. Further, the company has not incurred any cash losses during the period covered by the report and immediately preceding the financial year. [Paragraph 4 (x)]

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, company has not defaulted in the repayment of loans from the financial institutions or banks, hence this clause is not applicable. [Paragraph 4 (xi)]

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. [Paragraph 4 (xii)]

CHIT FUND / NIDHI / MUTUAL BENEFIT / SOCIETY ACTIVITIES :-

20. Provisions relating to any special statute applicable to chit fund are not applicable to the Company. [Paragraph 4 (xiii) first part]
21. Company not being Nidhi / Mutual Benefit Fund / Society, hence this clause is not applicable. [Paragraph 4 (xiii) second part]

DEALING OR TRADING IN SHARES:-

22. According to the information and explanation given to us, no transaction in trading of shares is being done by the company during the year. [Paragraph 4 (xiv)]

GUARANTEE GIVEN BY THE COMPANY FOR LOAN TAKEN BY OTHERS :-

23. 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. [Paragraph 4 (xv)]

UTILIZATION OF TERM LOAN :-

24. As per information and explanation given to us, the company has not taken any term loans. [Paragraph 4 (xvi)]

APPLICATION OF SHORT TERM FUND FOR LONG TERM INVESTMENTS :-

25. As explained and explanation given to us, fund raised on short term basis have not been used for long term investment. [Paragraph 4 (xvii)]

PREFERENTIAL ALLOTMENT OF SHARES :-

26. According to information and explanation given to us, the company has not made any preferential allotment of shares to the parties covered in the register maintained under section 301 the Act during the year. [Paragraph 4 (xviii)]

CREATION OF SECURITIES FOR DEBENTURES ISSUE :-

27. 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 arises. [Paragraph 4 (xix)]

MONEY RAISED BY PUBLIC ISSUE :-

28. The Company has not raised any money by public issue of shares during the year ended review. [Paragraph 4 (xx)]

FRAUD NOTICE OR REPORTED :-

29. 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. [Paragraph 4 (xxi)]

For R.S. Bansal & Co.
Chartered
Accountants
FRN : 000939C

Place: Indore
Date: 30th May, 2011

VIJAY BANSAL
Partner
Membership No. 75344

**BALANCE SHEET AS ON 31.03.2011**

	SCHEDULE	Amount (Rs.) As at 31.03.2011	Amount (Rs.) As at 31.03.2010
(A) SOURCES OF FUNDS			
SHAREHOLDERS FUND			
Share Capital	I	113,000,000	113,000,000
Reserves & Surplus	II	163,232,736	68,881,996
LOAN FUND			
Secured Loans	III	289,194,212	136,431,046
	TOTAL	565,426,948	318,313,042
(B) APPLICATION OF FUNDS			
FIXED ASSETS			
	IV		
Gross Block		894,910	894,910
Less : Accumulated Depreciation		--	--
Net Block		894,910	894,910
INVESTMENT			
	V	200,140	200,140
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	VI	169,517,049	177,586,438
Sundry Debtors	VII	454,744,423	205,887,059
Cash and Bank Balance	VIII	168,601,550	56,297,063
Loans & Advances	IX	45,058,103	16,576,176
		837,921,125	456,346,736
Less : Current Liabilities & Provisions	X	273,901,227	139,492,745
NET CURRENT ASSETS		564,019,898	316,853,992
MISCELLANEOUS EXPENDITURE			
	XI	312,000	364,000
(To the extent not written off or adjusted)			
	TOTAL	565,426,948	318,313,042

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS XVIII

(The schedules referred above form an integral part of the accounts)

As per our separate report attached

For **R.S. BANSAL & CO.**
Chartered Accountants
FRN : 000939C

For and on Behalf of the Board Of Directors

For **BHATIA INDUSTRIES & INFRASTRUCTURE LIMITED**

Vijay Bansal
Partner
Membership No. 075344

Ashok Mishra
(Company Secretary)

Jitendra Kumar Jain
(Director)

Lal Krishna Thanvi
(Director)

Place : Indore
Date : 30th May, 2011

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011**

	SCHEDULE	Amount (Rs.) As on 31.03.2011	Amount (Rs.) As on 31.03.2010
INCOME			
Gross Turnover	XII	2,448,501,666	364,991,859
Other Income	XIII	100,749	6,350,610
Increase / (Decrease) in Stock		72,075,590	(134,009,439)
	TOTAL	2,520,678,005	237,333,030
EXPENDITURE			
Purchase	XIV	2,341,304,207	214,099,292
Remuneration & Benefits to Employees	XV	646,724	992,231
Administrative, Selling & Other Expenses	XVI	9,037,099	1,334,794
Interest & Financial Charges	XVII	13,725,318	3,450,202
Preliminary expenses written off		52,000	52,000
		2,364,765,348	219,928,519
Profit / (Loss) Before Tax		155,912,657	17,404,511
Less :- Prior Period Adjustments		--	(16,208)
Less :- Provision for Taxation			
Current Tax		52,000,000	5,944,246
Profit after Tax		103,912,657	11,476,473
Profit of earlier years brought forward		29,601,302	31,419,140
Profit available for appropriation		133,513,959	42,895,613
Less : Appropriation of Profit			
Transfer to Genral Reserve		7,800,000	--
Capital Redemption Reserve		11,428,571	11,428,571
Dividend on Preference Shares		1,600,000	1,600,000
Dividend on Equity Shares		6,600,000	--
Dividend Distribution Tax		1,361,918	265,740
Balance carried forward to Balance Sheet		104,723,471	29,601,302
Basic Earning Per Share		30.92	2.91
Diluted Earning Per Share		30.92	2.91

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS XVIII

(The schedules referred above form an integral part of the accounts)

As per our separate report attached

For R.S. BANSAL & CO.
Chartered Accountants
FRN : 000939C

For and on Behalf of the Board Of Directors

For BHATIA INDUSTRIES & INFRASTRUCTURE LIMITED

Vijay Bansal
Partner
Membership No. 075344

Ashok Mishra
(Company Secretary)

Jitendra Kumar Jain
(Director)

Lal Krishna Thanvi
(Director)

Place : Indore
Date : 30th May, 2011



SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011

	Amount (Rs.) As at 31.03.2011	Amount (Rs.) As at 31.03.2010
SCHEDULE - I		
SHARE CAPITAL		
Authorised Share Capital		
40,00,000 Equity Shares of Rs. 10/- each (Previous year 40,00,000, Equity Shares of Rs. 10/- each)	40,000,000	40,000,000
8,00,000 2% Cumulative Redeemable Preference Shares of Rs. 100/- each (Previous Year - 8,00,000 Shares of Rs. 100/- each)	80,000,000	80,000,000
Total	120,000,000	120,000,000
Issued & Subscribed Share Capital		
33,00,000 Equity Shares of Rs. 10/- each (Previous Year 33,00,000 Equity Shares of Rs. 10/- each)	33,000,000	33,000,000
8,00,000 2% Cumulative Redeemable Preference Share of Rs. 100/- each (Previous Year - 8,00,000 Shares of Rs. 100/- each)	80,000,000	80,000,000
Total	113,000,000	113,000,000
SCHEDULE - II		
RESERVES AND SURPLUS		
General Reserve	12,794,978	4,994,978
Opening Balance	4,994,978	-
Add : Transferred during the year	7,800,000	-
Capital Redemption Reserve	45,714,287	34,285,716
Profit and Loss Account	104,723,471	29,601,302
Total	163,232,736	68,881,996
SCHEDULE - III		
SECURED LOANS		
a) Cash Credit Hypothecation Limits		
Central Bank of India, Indore	43,762,510	17,211,420
Bank of India, Indore	61,908,016	40,872,719
b) Buyer's Line of Credit		
Bank of India, Indore	183,523,686	78,346,907
Total	289,194,212	136,431,046

(Secured by the way of hypothecation on Stock, Receivables and Other Current Assets of the Company, ranking first charge on pari-passu basis under the Consortium Agreement and collateral securities by way of equitable mortgage of immovable properties and personal guarantee of the promoter directors of the Company and their relatives).

SCHEDULE -IV

FIXED ASSETS

(Amount in Rupees)

Sr.No.	PARTICULARS	GROSS BLOCK			As on 31.03.11	DEPRECIATION				NET BLOCK	
		As on 01.04.10	Addition	Transfer/Sold		Upto 01.04.10	Provided During the Year	Written Back	As on 31.03.11	As on 31.03.11	As on 31.03.10
1	LAND	894,910	--	--	894,910	--	--	--	--	894,910	894,910
	TOTAL	894910	--	--	894,910	--	--	--	--	894,910	894,910
	Previous Year	894910	--	--	894,910	--	--	--	--	--	894,910

SCHEDULE - V

INVESTMENTS

(Valued at Cost)

Quoted shares :

95 Equity Shares in DB Corp. Ltd. (Market value as on 31.03.2011 Rs. 23394/-)	20,140	20,140
----------------------------------------------------------------------------------	--------	--------



	Amount (Rs.) As at 31.03.2011	Amount (Rs.) As at 31.03.2010
Unquoted shares		
4500 Equity shares in BCC Enterprises (India) Ltd.	45,000	45,000
450 Equity shares in Bhatia Global Trading Ltd.	45,000	45,000
4500 Equity shares in BCC Cargo Ltd.	45,000	45,000
4500 Equity shares in Ishhar Overseas Ltd.	45,000	45,000
Total	<u>200,140</u>	<u>200,140</u>
SCHEDULE - VI		
INVENTORIES		
Imported Coal	107,830,276	40,423,696
Indigenous Coal	5,138,238	406,068
Goods in transit	--	80,144,978
Land	56,548,535	56,611,695
Total	<u>169,517,049</u>	<u>177,586,438</u>
SCHEDULE - VII		
SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Over Six months	1,152,431	20,725,930
Others	453,591,992	185,161,129
Total	<u>454,744,423</u>	<u>205,887,059</u>
SCHEDULE -VIII		
CASH AND BANK BALANCE		
With Scheduled Banks		
- In Current Accounts	27,878,180	5,538,894
- In Fixed Deposit Accounts	140,633,698	50,671,040
Cash in Hand	89,672	87,129
(Verified and Certified by the Management)		
Total	<u>168,601,550</u>	<u>56,297,063</u>
SCHEDULE -IX		
LOANS & ADVANCES		
Advance to others	269,522	25,531
Sundry Deposits	34,900,716	16,225,978
Despatch / Demurrage receivable	948,653	324,667
Advance for Indigenous coal	6,939,212	--
Advance for Land Purchase	2,000,000	--
Total	<u>45,058,103</u>	<u>16,576,176</u>
SCHEDULE - X		
CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors for Expenses	2,860,213	14,120,124
Sundry Creditors for Import Coal	177,380,812	112,685,994
Sundry Creditors for Indigenous Coal	25,862,479	
Sundry Creditors for Frieght	1,005,428	3,977,203
Other Current Liabilities	4,137,911	609,641
Advance receive against Coal supply	1,092,466	289,797
	<u>212,339,310</u>	<u>131,682,759</u>
Provisions		
Income Tax	52,000,000	5,944,246
Dividend on Preference Shares	1,600,000	1,600,000

**SCHEDULE FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011**

	Amount (Rs.) As at 31.03.2011	Amount (Rs.) As at 31.03.2010
Dividend on Equity Shares	6,600,000	--
Dividend Distribution Tax	1,361,918	265,740
	<u>61,561,918</u>	<u>7,809,986</u>
Total	<u>273,901,227</u>	<u>139,492,745</u>
<u>SCHEDULE -XI</u>		
MISCELLANEOUS EXPENDITURE		
As per Last Balance Sheet	364,000	416,000
Less 1/10th written off during the year	52,000	52,000
Balance of preliminary Expenses	<u>312,000</u>	<u>364,000</u>
Total	<u>312,000</u>	<u>364,000</u>
<u>SCHEDULE -XII</u>		
TURNOVER		
Sales		
- Indigenous Sale	224,416,853	28,691,839
- Domestic Sale of Imported Coal	652,619,297	203,335,910
- Import Coal Sales including High Seas Sale	1,566,854,516	132,964,110
- Land	4,611,000	--
Total	<u>2,448,501,666</u>	<u>364,991,859</u>
<u>SCHEDULE - XIII</u>		
OTHER INCOME		
Misc. Receipts	24,430	--
Exchange Fluctuation	72,000	6,261,639
Bad Debts Recovered	--	88,900
Dividend received	4,319	71
Total	<u>100,749</u>	<u>6,350,610</u>
<u>SCHEDULE -XIV</u>		
COST OF PURCHASE		
Import Purchase		
Imported Coal	1,557,690,030	153,093,264
Local Purchases Imported Coal	473,883,080	353,332
Other Direct Expenses	85,474,539	10,243,320
	<u>2,117,047,649</u>	<u>163,689,916</u>
Domestic Purchase		
Indigenous Coal	220,397,920	24,205,015
Direct Expenses	1,179,178	120,000
	<u>221,577,098</u>	<u>24,325,015</u>
Land		
Land Purchase	2,657,510	25,358,350
Registration Charges	21,950	726,011
	<u>2,679,460</u>	<u>26,084,361</u>
Total	<u>2,341,304,207</u>	<u>214,099,292</u>

**SCHEDULE FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011**

	Amount (Rs.) As at 31.03.2011	Amount (Rs.) As at 31.03.2010
SCHEDULE – XV		
REMUNERATION & BENEFITS TO EMPLOYEES		
Basic Salary	329,389	582,431
Conveyance Allowance	22,126	26,658
House Rent Allowance	116,730	173,138
Special Allowance	89,083	112,706
Medical Reimbursement	34,161	26,653
Leave Travel Allowance	27,148	31,232
Leave Encashment	18,767	39,413
Bonus	6,220	--
Staff Welfare Expenses	3,100	--
Total	646,724	992,231

SCHEDULE - XVI**ADMINISTRATIVE, SELLING & OTHER EXPENSES**

Auditors Remuneration	110,300	110,300
Commission & Brokerage	1,704,565	49,248
Computer Expenses	30,000	40,000
Discount on Sales	22,296	41,153
Electricity and Water	72,000	69,000
Insurance Premium	1,095	7,288
Legal & Professional charges	253,024	199,148
Office Expenses	44,600	40,000
Listing Fees	46,326	48,339
Loss in Exchange Fluctuation	5,248,994	--
Membership & Subscription	4,000	--
Postage & Telegram	934	4,892
Printing & Stationery	123,676	51,797
Rent & Taxes	134,746	134,843
Repair & Maintenance	467,202	32,000
Depository Service Charges	--	13,237
Sampling and Analysis Charges	214,185	--
Share Handling Expenses	41,718	33,090
Service charges paid	--	747
Interest on Income Tax	332,237	39
Telephone Expenses	54,156	50,115
Travelling & Conveyance Expenses	131,047	39,290
Sale Tax on Demand (2003-04)	--	370,268
Total	9,037,099	1,334,794

SCHEDULE - XVII**INTEREST & FINANCIAL CHARGES**

Interest & Other Bank Charges	13,725,318	3,450,202
(Net of Interest Income of Rs. 41.42 Lacs, (Previous year Rs. 14.50 Lacs) TDS on Interest Rs. 1022257/-, Previous year Rs. 199631/-)		
Total	13,725,318	3,450,202

**SCHEDULE – XVIII****SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS:****A. SIGNIFICANT ACCOUNTING POLICIES:****01. Basis of Preparation of Financial Statements:**

The Financial Statements are prepared under the historical cost convention on ongoing concern basis in accordance with the Generally Accepted Accounting Principles in India and the provision of the Companies Act, 1956. The Company has followed the mercantile system of accounting and recognized income and expenditure on accrual basis.

02. Revenue Recognition:

Coal Trading: Sale of coal has been recorded and recognized on the basis of dispatches made to customers, which is considered as transfer of ownership and represents amount billed for goods sold excluding Sales Tax/ VAT. High Seas Sales are accounted for on the basis of date of agreement entered with the customers during the year.

Further, Other Income received through cargo handling charges is the amount recovered in excess of the amount paid by the company for the services in Proportion of the quantity dispatched.

03. Fixed Assets:

A. Non Depreciable Assets: Fixed Assets have been valued at Cost.

B. Depreciable Assets: The Company does not have any depreciable assets.

04. Depreciation:

No Depreciation has been charged on Land held as Fixed Assets.

05. Impairment of Assets:

An Assets is treated as impaired when the carrying cost of an assets exceeds its recoverable value. An impairment loss is charged to Profit & Loss Account in the year in which an asset is identified as impaired. Since Company does not have Fixed Assets except Land, no provision has been made for impairment of assets.

06. Inventories:

a. Imported Coal and Coking Coal: Valued at Cost (including Direct Expenses with specific identification method) or Market Price, whichever is lower.

b. Indigenous Coal: Valued at Cost or Market value, whichever is lower, using FIFO Method.

c. Land: Valued at Cost including Registration Expenses.

07. Retirement Benefits:

The Company has provided for value of unutilized leave due to employees at the end of the year. Further, in the opinion of the Board of Directors, Company does not fall under the purview of the retirement benefits like P.F., Gratuity etc and therefore no provision for the same is provided in the books.

08. Investment:

Long Term investments are shown at Cost. No provision has been made for diminution in the value of investments.

09. Foreign Currency Transaction:

Transaction in foreign currency is account for at the exchange spot rate on the date of transaction. Receivable and payables are translate at the closing rate of exchange prevailing on Balance Sheet date. The difference because of fluctuation in the rate of exchange is recognized in the Profit & Loss account.

10. Provisions and Contingent Liabilities:

A provision is recognized when an enterprises has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimates required to settle the obligation at the Balance Sheet date. There are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not provided for in the accounts and are disclosed by way of Notes.

11. Provision for Current Tax:

Provision for current tax is made after taking into consideration benefits admissible under the provision of the Income Tax Act, 1961. Deferred Tax liabilities and assets are recognized at substantively enacted tax rates, subject to the consideration of prudence, on timing difference, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

12. Preliminary Expenses / Deferred Revenue Expenditures:

Preliminary Expenses / Deferred Revenue Expenditures have been written off in ten equal installments.

B. NOTES TO THE ACCOUNTS:

01. Certain transaction on account with concern / Companies of the group has taken place during the period. As per details, which are elsewhere enclosed as required under Accounting Standard -18 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India. Interest paid on sundry balances has been duly accounted for in the books of accounts of the Company.



02. The Company has also entered into commercial transactions with Group Companies in which directors are interested. These transactions are entered as per approval of Central Government as per provisions of section 297 of the Companies Act, 1956, at rates and on such terms as may be prevailing in the market at the time of transaction and are not prejudicial to the interests of the Company. These transactions are disclosed in Annexure as mentioned in Para- 1 of above.
03. Fixed deposits with Banks amounting to Rs. 1406.34 Lacs (previous year Rs. 506.71 Lacs) are under lien with the various banks as margin money for the issuance of Foreign Letter of Credit / Bank Guarantees.
04. Sales Tax / VAT Liability have been accounted for on the basis of sales recorded by the Company in the books of accounts and credited separately into Sales tax payable account and debited to such account at the time of deposit of Tax amount.
05. The Company's operations comprises of Trading of Coal and Trading of Land. Reporting of these segments has been done as required in Accounting Standard – 17 "Segment Report" issued by the Institute of Chartered Accountants of India.
06. The Company has purchased Land during the year, for the purpose of dealing in properties. The land purchased for said purpose has been considered as the part of Inventory. Beside this, the Company has also owned land as Fixed Assets and which are shown separately in the Balance Sheet.
07. The Interest and Financial Charges are netted off with Interest received and Interest paid under various heads including Interest accrued but not due of Rs.10.57 Lacs (previous year Rs. 2.85 Lacs) on Fixed Deposit Receipts.
08. In the opinion of the Management, the Current Assets and Loan & Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and that the provision of known liability is adequate and not in excess of the amount necessary.
09. Company has policy to record High Seas sales on the date of agreement entered with the customers, Certain High Seas Sale have been recorded other than the date of which agreements were entered into, however it has no impact on the profit or revenue of the company.
10. The Company has policy to hedge its liabilities of foreign currency. Accordingly, the Company has hedged its liabilities but cancel on due date of its payment due to roll over through availment of Buyer's Credit facilities from banks. The Gain / Loss arise on these transactions has been shown under the schedule "Administrative, Selling & Other Expenses".
11. Confirmation of amount due from Sundry Debtors and due to Sundry Creditors, deposits, Loans and Advances have been received from most of the parties and necessary adjustments, if any, are made in the books of accounts.
12. Company has created Capital Redemption Reserve out of the retained earning for the redemption of the 2% Cumulative Redeemable Preference Share of Rs.114.29 Lacs, redeemable in 7 Years (Previous year: Rs.114.29 Lacs). The allocation is in proportion of the Preference Share Capital to the redemption period.
13. Expenditure incurred but pertaining to subsequent period has been accounted as prepaid expenses.
14. Import Purchases includes the Cost of coal, Freight expenses, Custom Duty, Port Expenses, and Interest for usance period, Foreign Exchange fluctuation, Dispatch / Demurrage and other direct expenses related to purchases. Indigenous Purchases includes the Cost of Coal and other related direct expenses.
15. The Company has availed the Buyer's Credit facilities from Banks (Balance at year end Rs.18.35 Crores) and shown in Schedule- 3 "Secured Loans". Above facilities are within the sanctioned limits and provided by ear - marking the limits of Foreign Letter of Credit
16. Under Service Tax Act & Rules, Company has availed credit of Service Tax paid on Input services to the extent of allowable credits and balance amount of service tax has been charge to relevant expenses. "Unutilized balance of service tax paid" as per Service Tax Act & Rules made there under is as under:

Year	Opening Balance of Unabsorbed credit	Credit generated on Input services during the year	Credit utilized/ Reverse during the year	Unabsorbed credit available for carry forward to next year (1+2-3=4)
31.03.2011	--	75.13	73.78	1.35
31.03.2010	--	--	--	--

17. Director's Remuneration :

Particulars	31.01.2011	31.03.2010
Payment to Directors :		
Director's Remuneration	--	--
Sitting Fees	--	--

18. (Amount in Rs.)

Auditor's Remuneration :	31.03.2011	31.03.2010
a. Statutory Audit Fees	77,210	77,210
b. Tax Audit Fees	33,090	33,090
c. Taxation & Other matters including Legal & Professional Expenses.	-	25,000

Figures are inclusive of service Tax.


19. Earning Per Share

In accordance with the Accounting Standard – 20, Earning per Share is as follows: -

Particulars	As on 31.03.2011	As on 31.03.2010
i. Net Profit available to shareholder	10,39,12,657	1,14,76,473
ii. Dividend & Dividend Distribution Tax on Preference Shares	18,65,740	18,65,740
iii. Net Profit available to Equity Shareholders	10,20,46,917	96,10,733
iv. Weighted average No. outstanding Equity shares	33,00,000	33,00,000
v. Earning Per Share	30.92	2.91
vi. Face value of share	10.00	10.00

Note: Since there is no Potential Equity Shares, the basic earnings per share & diluted earning per share are the same. While calculation of EPS, the amount of Capital Redemption Reserve is not included.

20. Additional information required under Para 4D of Schedule VI to the Companies Act, 1956, being technical information confirmed by the Directors, is follows:

Particulars	31.03.2011	31.03.2010
i. Value of Import on C.I.F. basis	11,765.18	2,331.79
ii. Remittance in Foreign Currency	8,277.53	1,708.74
iii. Earning in Foreign Currency	--	--
iv. Expenditure in Foreign Currency		
a. Dispatch/ Demurrages	38.99	--
b. Commission	35.74	--
c. Others	26.97	--

21. Derivative Instruments:

The Company uses forward exchange contracts and currency options to hedge its exposure in foreign currency. The information on Derivative Instruments is as follows:

a. Derivative Instrument outstanding as at end of the period are as under :

Currency Pair	31.03.2011		31.03.2010	
	Buy	Sell	Buy	Sell
INR/USD	--	--	--	--

b. Foreign Exchange Currency Exposures recognized by the Company that have not been hedged by Derivative instrument or otherwise as at end of the period are as under:

Currency Pair	31.03.2011		31.03.2010	
	Buy	Sell	Buy	Sell
INR/USD	3,233.74	--	--	--

22. Contingent Liabilities not provided for:

- A. Bills Discounted from Banks amounting to Rs. 5, 16, 05,074/- (previous year Nil).
- B. Collector of Stamp, Khargaon (MP) raised demand u/s. 33 read with section 48(b) of the Indian Stamp Act for Stamp Duty of Rs. 10.62 Lacs against the Sand Mine Contract allotted to the Company for Maheshwari Group by State Mining Corporation Limited, Bhopal. The Company has filed an appeal before the Court of Hon'ble Revenue Board, Gwalior (MP) for setting aside the impugned order so passed by Collector of Stamp. The Management is of the opinion that no provision is required for such liability.
- C. Income Tax Department has raised a demand of Rs. 1, 10,344/- for the assessment year 1996-97. The Company has filed an appeal before appropriate authorities against above demand. The Management is of the opinion that no provision is required for such liability.
Income Tax Department has raised demand of Rs. 18, 84,356/- for the assessment year 2002-03, 2004-05, 2005-06 & 2006-07. The Company has filed an appeal before the appropriate authorities against above demand. The Company has filed an application for adjustment of refund of Rs. 22, 51,710/- lying with Income Tax department for the assessment year 2009-10. As a result an amount of Rs. 3, 67,354/- will stand as refund with the department. The Management is of the opinion that no provision is required for such liability.



Disputed Income Tax demand	As at 31.03.2011	As at 31.03.2010
AY 2002-03	1,96,579	1,96,579
AY 2004-05	2,49,228	2,49,228
AY 2005-06	12,60,556	12,60,556
AY 2006-07	1,77,993	1,77,993
Total	18,84,356	18,84,356

23. Micro and Medium scale business entities:

The Company is in process of obtaining information from its suppliers/vendors and service providers and Company has written confirmation letters to parties for disclosure as required under Micro, Small and Medium Enterprises Development Act, 2006. As per information to the extent available with the Company, there are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31 March 2011.

24. Sundry Creditors does not include any amount due to Small Scale Industrial undertakings to whom the amounts are due for a period of more than 6 months, based on the information available with the company.

25. Quantitative Details as required by Para 3 of Part II of Schedule VI of Companies Act, 1956.

(Rs. In Lacs)

Particulars		31.03.2011		31.03.2010	
A	Imported Coal	Qty. (in MT)	Amount	Qty. (in MT)	Amount
	i. Opening Stock	15,405.292	404.24	51,689.810	1,978.04
	ii. Purchases	7,55,098.484	21,170.48	70,709.032	1,636.89
	iii. Sales	7,35,905.365	22,194.74	1,06,993.550	3,361.98
	iv. Closing Stock	34,598.411	1,078.30	15,405.292	404.24
	v. Goods in Transit	--	--	35,306.000	801.45
B	Indigenous Coal				
	i. Opening Stock	156.180	4.06	1356.410	31.20
	ii. Purchases	69,901.980	2,215.77	9621.170	243.25
	iii. Sales	68,358.445	2,244.17	10821.400	286.92
	iv. Closing Stock	1699.715	51.38	156.180	4.06
C	Land	Qty.	Amount	Qty	Amount
		(in Acres)		(in Acres)	
	i. Opening Stock	85.15	566.11	62.51	305.27
	ii. Purchases	3.01	26.80	22.64	260.84
	iii. Sales	4.78	46.11	--	--
	iv. Closing Stock	83.38	565.49	85.15	566.11

26. The Company had allotted the Sand Mines contract for Maheshwar Group by State Mining Corporation Ltd., Bhopal for the period of 01.02.2004 to 31.01.2005. As per terms of the Contract, Company has deposited Rs. 72, 15,440/- as Earnest Money. The company was continued in mining of sand till October 10, 2004. The Company had received the notice from Collector, Khargon on October 11, 2004 to stop the mining work from October 13, 2004. Due to said notice, the Company had suffered and not fulfilled the conditions of said contracts. The State Mining Corporation had forfeited the amount of Earnest money deposited by the Company. The Company had no choice except to file the case in Arbitration Tribunal. The case had filed with Arbitration Tribunal but Tribunal had issued the award in favour of State Mining Corporation Ltd., Bhopal. The Company has filed an appeal with Session Court, Bhopal for settling aside the impugned order so passed by Arbitration Tribunal, which has also rejected on August 08, 2007. The Company has filed a writ petition with Hon'ble High Court of Jabalpur on September 25, 2008 against the order of Session Court, Bhopal. The writ petition filed by the Company had admitted. The management is of the opinion that no provision is required for such amount shown as deposit with MPSMCL in the Balance Sheet. As soon as case will be listed and argued finally, order will be in favour of the Company.

27. All due cares have been taken in respect of provisions with reference to past events & future expectations. The Company has not recognized any Contingent Liability or Contingent Assets. They are properly disclosed separately.

28. The previous period figures are regrouped and rearranged wherever necessary, in order to make it comparable with current year.



29. Statement of Shareholding of persons belonging to the category "Promoter and Promoter Group" as at 31st March 2011 is as under :

Sr. No.	Name of Shareholder	Total shares held		Shares pledge or otherwise encumbered		
		Number	As a % of Grand Total	Number	As a Percentage	As a % of grand total
(I)	(II)	(III)	(IV)	(V)	(VI)=(V)/(III)*100	(A)+(B)+(C) of sub-clause (1)(a)(viii)
1.	Mr. G.S. Bhatia	164830	4.99		--	
2.	Mr. S.S. Bhatia	464710	14.08		--	
3.	Mr. M.S. Bhatia	164810	4.99		--	
4.	Ms. Veena Bhatia	164710	4.99		--	
5.	Ms. Gurvinder Kaur Bhatia	164810	4.99		--	
6.	Mr. Kripal Singh Bhatia	10	0.00		--	
7.	Ms. Inderjeet Kaur Bhatia	164900	5.00		--	
8.	Mr. Jaswinder Singh Bhatia	135500	4.11		--	
9.	Ms. Sukhvinder Kaur Bhatia	1800	0.05		--	
10.	S.S. Bhatia HUF	162600	4.93		--	
11.	M.S. Bhatia HUF	91400	2.77		--	
12.	G.S. Bhatia HUF	164500	4.99		--	
13.	Jaswinder Singh Bhatia HUF	50000	1.52		--	
14.	Bhatia International Limited	130000	3.94		--	
15.	Ishhar Overseas Limited	262974	7.97		--	
16.	Mr. J.K. Jain	11210	0.35		--	
	TOTAL	2298764	69.66		--	

As per our report of even date attached

For **R.S. BANSAL & CO.**
Chartered Accountants
FRN : 000939C

For and on Behalf of the Board Of Directors

For **BHATIA INDUSTRIES & INFRASTRUCTURE LIMITED**

Vijay Bansal
Partner
Membership No. 075344

Ashok Mishra
(Company Secretary)

Jitendra Kumar Jain
(Director)

Lal Krishna Thanvi
(Director)

Place : Indore
Date : 30th May, 2011

Bhatia Industries & Infrastructure Limited
Segment Reporting

Segment Information :

The company has identified two reportable segments viz. Coal Trading and Infrastructure Division, Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with following additional policies for segment reporting.

- (a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprises as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- (b) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investment, Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have disclosed as "Unallocable".

(Rs. in Lacs)

Particulars	Coal Trading Division		Infrastructure Division		Unallocable Division		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
1. Segment Revenue								
External Turnover	24,438.91	3,649.92	46.11	--	--	--	24,485.02	3,649.92
Gross Turnover	24,438.91	3,649.92	46.11	--	--	--	24,485.02	3,649.92
2. Segment Result before Interest and taxes	1,677.65	207.66	18.68	--	--	--	1,696.34	207.66
Less : Interest Expenses	178.67	49.00	--	--	--	--	178.67	49.00
Add : Interest Income	41.42	14.50	--	--	--	--	41.42	14.50
Add : Unallocable Income	--	--	--	--	0.04	1.05	0.04	1.05
Profit Before Tax	1540.40	173.16	18.68	--	0.04	1.05	1,559.13	174.20
Current Tax	513.00	--	7.00	--	--	59.44	520.00	59.44
Fringe Benefit Tax	--	--	--	--	--	--	--	--
Deferred Tax	--	--	--	--	--	--	--	--
Net Profit after Tax	1,027.40	173.16	11.68	--	--	--	1,039.13	114.76
3. Other Information								
Segment Assets	7,786.08	4,009.94	605.21	566.12	2.00	2.00	8,393.29	4,578.06
Segment Liabilities	5,011.55	1,316.83	10.78	--	608.62	78.10	5,630.95	1,394.93
Total cost incurred during the year to acquire segment Assets	--	--	--	--	--	--	--	--
Depreciation	--	--	--	--	--	--	--	--
Non Cash Expenses Other than depreciation					0.52	0.52	0.52	0.52

- (c) The reportable Segments are further described below :
- The Trading Segment includes trading of imported and indigenous coal and selling to various industries in India.
 - The infrastructure Division presently creating Land Bank for the development of a residential Township at Khandwa Road, Indore.





Bhatia Industries & Infrastructure Limited
Related Party Disclosure for the year ended 31.03.2011

Disclosure in respect of related parties as defined In Accounting Standard 18 (AS-18) issued by the Institute of Chartered Accountants of India with whom transaction have been taken place during the year are given below :-

Sr. No.	Name of Related Party	Nature of Relationship	Nature of Transaction	I	II	III	IV	Transaction During the Year (In Lacs) 2010-2011	Outstanding Balance as on 31.03.11 (Payable)	Outstanding Balance as on 31.03.11 (Receivable)	Transaction During the year (in lacs) 2009-2010	Outstanding Balance as on 31.03.10	
1	Mr. S.S. Bhatia	Director	1 Rent Paid	--	--	--	0.60	0.60	0.60	--	0.60	0.60	
2	Mr. G.S. Bhatia	Director's Relative	1 Rent Paid	--	--	--	0.60	0.60	0.60	--	0.60	0.60	
3	Ishhar Overseas FZE (Dubai)	Company in which Directors are interested	1 Debit Note	--	--	--	--	--	--	--	628.23	--	
4	IOF Pte. Ltd. (Singapore)	Company In which Directors are interested	1 Vessel Freight Paid	1,166.64	459.03	775.91	406.83	2,808.41	723.06	--	375.77	--	
5	Bhatia International Pte. Ltd. (Singapore)	Company In which Directors are interested	1 Coal Purchase	--	--	--	2,055.53	2,055.53	1,050.75	--	--	--	
			2 Vessel Freight Paid	--	--	--	2,047.52	2,047.52	1,050.75	--	--	--	
6	Ishhar Overseas Ltd.	Company in which Directors are interested	1 Current Account Transaction	1.00	1.00	--	2.00	4.00	--	--	--	--	
7	Bhatia International Ltd.	Directors' interested Company	1 Customer Inter Balance Transfer	--	--	--	--	--	--	--	37.82	--	
			2 Expenses Paid	151.56	16.56	127.79	87.97	383.88	--	--	6.65	--	
			3 Reimbursement of Expenses	18.58	140.27	--	2.10	160.95	--	--	11.36	--	
			4 Coal Purchase	--	--	3470.97	5,381.71	8,852.68	--	--	--	--	
			5 Current Account transaction	--	--	--	--	--	--	--	--	(154.24)	--
			6 Coal Sale	1,678.47	1,354.43	1,323.07	1,032.42	5,388.39	258.62	--	2,047.32	439.69	
8	Bhatia Global Trading Ltd.	Directors' interested Company	1 Coal Sale	--	--	1,790.00	3,201.36	4,991.36	--	1,342.88	--	--	
			2 Expenses Paid	--	--	--	3.93	3.93	--	--	--	--	
9	Associated Transport Company	Directors' interested	1 Expenses Paid	--	2.45	4.86	1.88	9.19	--	--	--	--	

CASH FLOW STATEMENT FOR THE YEAR ENDED AS ON 31st MARCH, 2011

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

(Amount in Rs.)

Particulars	For the year ended 31st March,2011		For the year ended 31st March,2010	
CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit / (Loss) before tax and Extra Ordinary items	155,912,657		17404511	
ADJUSTMENTS FOR :				
Amortizations	52000		52000	
Operating Profit / (Loss) before change of working capital	155,964,657		17,456,511	
ADJUSTMENT FOR WORKING CAPITAL CHANGES :				
(Increase)/ Decrease in Inventories	8,069,389		53,864,460	
(Increase)/ Decrease in Sundry Debtors	(248,857,362)		(72941221)	
(Increase)/ Decrease in Loan & Advances	(28,481,927)		5,401,025	
Increase/ (Decrease) in Current Liabilities	134,408,482		(155,123,368)	
Cash Flow Before Extra Ordinary Items	21,103,239		(151,342,593)	
Less: Extra Ordinary Expenses	-		(16,208)	
Less: Income Tax provided	52,000,000		5,944,246	
Net cash from Operating Activities	(30,896,761)	(30,896,761)	(157,270,631)	(157,270,631)
CASH FLOW FROM INVESTING ACTIVITIES				
Net cash used in investing Activities		-		-
CASH FLOW FROM FINANCING ACTIVITIES				
Dividend on Preference Shares	(1,600,000)		(1,600,000)	
Dividend on Equity Shares	(6,600,000)		-	
Dividend Distribution Tax	(1,361,918)		(271,920)	
Increase/ (Decrease) in Secured Loan	152,763,166		136,431,046	
Net cash used in Financing Activities		143,201,248		134,559,126
Net increase in cash and cash equivalents		112,304,487		(22,711,505)
Cash & Bank balance at the beginning of the year		56,297,063		79,008,568
Cash & Bank balance at the end of the year		168,601,550		56,297,063

For and on behalf of the Board Of Directors
For BHATIA INDUSTRIES & INFRASTRUCTURE LIMITED

Place : Indore
Date : 30th May, 2011

Ashok Mishra
(Company Secretary)

Jitendra Kumar Jain
(Director)

Lal Krishna Thanvi
(Director)

AUDITORS' CERTIFICATE

We have examined the above Cash Flow Statement of Bhatia Industries & Infrastructure Limited, for the year ended 31st March, 2011. The statement has been prepared in accordance with the requirement of Clause 32 listing agreement 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 30.05.2011 to the Members of the Company.

For R.S. Bansal & Co.
Chartered Accountants
FRN : 000939C

Place: Indore
Date: 30th May, 2011

VIJAY BANSAL
Partner
Membership
No. 75344



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

REGISTRATION DETAILSRegistration No. State Code Balance Sheet Date Capital raised during the year
Public Issue Right Issue

Position of Mobilisation and Development of funds

Total Liabilities Total Assets Sources of funds
Paid-up Capital Reserve & Surplus Secured Loan Unsecured loan Application of Funds
Net Fixed Assets Investment Net Current Assets Misc. Expenditure Accumulated Losses

Performance of Company

Turnover Total Expenditure Profit/(Loss) Before Tax Profit/(Loss) After Tax Earning Per Share in Rs. Dividend Rate

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

Item Code No. Product Description

For and on Behalf of the Board Of Directors

For BHATIA INDUSTRIES & INFRASTRUCTURE LIMITED

Place : Indore
Date : 30th May, 2011Ashok Mishra
(Company Secretary)Jitendra Kumar Jain
(Director)Lal Krishna Thanvi
(Director)



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

Regd. Folio No. / Client ID No. _____

No. of Shares held _____

(To be filled in by the Member)

I/We _____ of _____ in the district of _____

being a member/ members of Bhatia Industries & Infrastructure Limited (formerly known as "BCC Finance Limited") hereby appoint

Mr./Ms. _____ of _____ in the district of _____ or failing him/her,

Mr./Ms. _____ of _____ in the district of _____

as my/ our proxy to attend and vote for me/ us, on my / our behalf at the Eighteenth Annual General Meeting of the Company to be held on Monday, the 27th day of June, 2011 at 11:00 A.M. at 9/4, Manoramaganj, Navratan Bagh Main Road, Indore-452001 (M.P.) and at any adjournment thereof.

Signed this _____ day of _____ 2011

Signature _____



Notes:

1. A member is entitled to attend and vote and is also entitled to appoint a proxy to attend and vote instead of himself. The proxy need not be a member of the Company.
2. This Proxy Form, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

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

Regd. Folio No. / Client ID No. _____

No. of Shares held _____

(To be filled in by the Member)

I certify that I am a registered member/proxy for the registered member of the Company.

I hereby record my presence at the Eighteenth Annual General Meeting of the Company being held at 9/4, Manoramaganj, Navratan Bagh Main Road, Indore- 452001 (M.P.) on Monday, the 27th day of June, 2011 at 11:00 A.M.

Member's/ Proxy's name in BLOCK letters

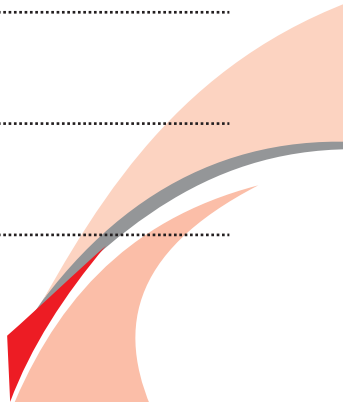
Member's/ Proxy's Signature

Notes:

1. A Member/ Proxy attending the meeting must complete this Attendance Slip and hand it over at the entrance.
2. Members are requested to bring their copy of the Annual Report.

Notes

A series of horizontal dotted lines for writing notes, spanning the width of the page.



*Defining
New
Horizons...*

BOOK-POST

If Undelivered please return to :

Bhatia Industries & Infrastructure Limited

Regd. Office : "BCC House", 8/5, Manoramaganj,

Navratan Bagh Main Road, Indore-452001 (M.P.) INDIA