

CORPORATE INFORMATION

Board of Directors:

Mr. Ankit Rathi	Chairman and Director
Mr. Omprakash Ramashankar Pathak	Whole Time Director
Mr. Harish Kumar Chauhan	Director
Ms. Preeti Sharma	Director
Ms. Deepa Kumari	Chief Financial Officer

Registered Office:

1111, 11th Floor, New Delhi House,
27, Barakhamba Road, New Delhi - 110001

Mumbai Office:

23, Great Western Building, 1st Floor, 130/132,
Apollo Street, SBS Road, Fort, Mumbai-400023.

Auditors:

M/s Soni Gulati & Co.
Chartered Accountants
G-79/212, Laxmi Nagar, Main Market, Delhi-110092.

Listed With Stock Exchange:

BOMBAY STOCK EXCHANGE LIMITED
Phiroze Jeejeebhoy Towers, Dalal Street, Kala Ghoda, Fort, Mumbai, Maharashtra- 400001

Registrar & Transfer Agents:

M/s Mas Services Ltd.
T-34, Okhla Industrial Area, Phase-II, New Delhi-110020

Bankers:

Development Credit Bank
Mittal Court -C Wing, Nariman Point, Mumbai-400 021

Yes Bank

Netaji Subhash Marg, Darya Ganj, New Delhi-110002

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NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the members of BITS LIMITED will be held at Plot No. 122, Mahalaxmi Vihar, Karawal Nagar, Delhi- 110094 on Tuesday, **September 30th, 2014 at 10.00 A.M.** to transact the following business:-

ORDINARY BUSINESSES:

1. To receive, consider and adopt the audited financial statement of the company for the financial year ended 31st March, 2014 along with Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Omprakash Ramashankar Pathak (DIN: 01428320), who retires by rotation and being eligible, offer himself for re-appointment.
3. To appoint the existing auditor M/s Soni Gulati & Co., Chartered Accountants as Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and to fix their remuneration as may be decided by the Board of Directors.

SPECIAL BUSINESSES:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Harish Kumar Chauhan (DIN – 06857506), who was appointed as an Additional Director of the Company, by the Board of Directors on May, 10th, 2014 under Section 161(1) of the Companies Act, 2013, and who holds office up to the date of this Annual General Meeting of the company and in respect of whom the company has received a notice under section 160 of the Companies Act, 2013 and the rules made thereunder in writing from a member proposing his candidature for the office of director be and is hereby regularized and appointed as a Non – Executive Independent Director of the Company.
"RESOLVED FURTHER THAT Mr. Harish Kumar Chauhan (DIN – 06857506) be and hereby appointed for a fixed term of five consecutive years from the conclusion of this Annual General Meeting up to 31st March, 2019 and has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013 and his term of office shall not be liable to retire by rotation pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement entered into with stock exchanges (Including any statutory modification(s) or re-enactment thereof for the time being in force) ."
"RESOLVED FURTHER THAT the Board of directors of the Company, be & are hereby authorize to do all such acts, deeds and things and to file such e-forms and to execute all such documents as may be required to give effect to the aforesaid resolution."
5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Ms. Preeti Sharma (DIN-06942331), who was appointed as an Additional Director of the Company, by the Board of Directors on August, 12th, 2014 under Section 161(1) & 149(1) second proviso of the Companies Act, 2013, and who holds office up to the date of this Annual General Meeting of the company and in respect of whom the company has received a notice under section 160 of the Companies Act, 2013 and the rules made thereunder in writing from a member proposing her candidature for the office of director, be and is hereby regularized and appointed as a Non – Executive Independent Director of the Company.

"RESOLVED FURTHER THAT Ms. Preeti Sharma (DIN-06942331), be and hereby appointed for a fixed term of five consecutive years from the conclusion of this Annual General Meeting upto 31st March, 2019 and has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013 and her term of office shall not be liable to retire by rotation pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement entered into with stock exchanges (Including any statutory modification(s) or re-enactment thereof for the time being in force) ."

"RESOLVED FURTHER THAT the Board of directors of the Company, be & are hereby authorize to do all such acts, deeds and things and to file such e-forms and to execute all such documents as may be required to give effect to the aforesaid resolution."

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

RESOLVED THAT in accordance with the provisions of Section 196, 197 and 203 of the Companies Act, 2013 read with Schedule V and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to approval of central government, if required, approval of the shareholders of the Company be and is hereby accorded to the appointment of Mr. Omprakash Ramashankar Pathak (DIN : 01428320) as Whole-Time Director of the Company, for a period of 3 (three) years with effect from 1st March, 2014 to 28th February, 2017 and his term of office shall be liable to retire by rotation.

"RESOLVED FURTHER THAT approval be and is hereby accorded to the terms and conditions including remuneration payable as set out in the Agreement entered by Mr. Omprakash Ramashankar Pathak with the Company for the aforesaid appointment and as set out in the statement annexed to the Notice convening this meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) to vary the remuneration as it may deem fit and as may be acceptable to Mr. Omprakash Ramashankar Pathak, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

"RESOLVED FURTHER THAT the Board be and is hereby authorised to sign, seal and execute necessary papers, deeds and other documents to be filed with the Office of Registrar of Companies/ Ministry of Company Affairs or any other authority to give effect to this resolution and to do all such acts, deeds, things, matters connected with the aforesaid matter or any other matter incidental thereto."

By Order of the Board of Directors
For BITS LIMITED

Date: 06.09.2014
Place: New Delhi

Sd/-
Omprakash Ramashankar Pathak
Whole Time Director
DIN No. 01428320

NOTES

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE DEPOSITED, AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING.**

A BLANK PROXY FORM IS ATTACHED.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of special business mentioned in Item No.4, 5 & 6 is annexed herewith.
- Brief Resume of the Directors including those proposed to be appointed/re-appointed since last Annual General Meeting, as mandated under Clause 49(IV)(G) of Listing Agreement with the Stock Exchanges, is annexed hereto and forms part of the notice.
- Members are requested to:-
 - Note that copies of Annual Report will not be distributed at the Annual General Meeting.
 - Bring their copies of Annual Report, Notice and Attendance Slip duly completed and signed, at the meeting.
 - Deliver duly completed and signed Attendance Slip at the entrance of the meeting venue as entry to the hall will be strictly on the basis of the entry slip available at the counter at the venue to be exchanged with the attendance slip.
 - Quote the Folio/Client ID & DP ID Nos. in all correspondence.
 - Members, who hold shares in dematerialized form, are requested to bring their Client ID and DP ID Nos. for easier identification of attendance at the meeting.
 - Note that no gifts/coupons will be distributed at the Annual General Meeting.
- The Notice of the 22nd AGM indicating the process and manner of e-voting along with the Annual Report for 2013-14, Attendance Slip and Proxy Form are being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the said documents. For members who have not registered their e-mail addresses, physical copies of the above mentioned documents are being sent. We request shareholders to update their mail address with their depository participant to ensure that the annual reports and other documents reach them on their preferred mail address. Shareholders holding shares in physical form may intimate us their e-mail address along with name, address and folio no. for registration at bitsltd@gmail.com
- The Notice for the Annual General Meeting and the Annual Report and will be available for inspection at the Registered Office of the Company on all working days in business hour up to the date of Annual General Meeting. The above said shall also be available on the Company's website at <http://www.bits.net.in/> and on the website of the NSDL: <https://nsdl.co.in/> for inspection and downloading by the shareholders of the company
Business to be transacted at the meeting may be transacted through electronic voting system and company is providing facility for voting by electronic means.
- Members seeking further information on the Accounts or any other matter contained in the Notice are requested to write to the Company at least 7 days before the meeting so that relevant information can be kept ready at the meeting.
- All documents referred to in the accompanying notice and explanatory statement are open for inspection at the Registered Office of the Company during the office hours on all working days between 11: 00 A.M. to 1: 00 P.M up to the date of this Annual General Meeting.
- The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their demat account. Member holding shares in physical form can submit their PAN details to the Company at the Registered Office of the Company.
- Members who hold shares in Dematerialized form are requested to write their DP ID and Client ID and those who hold shares in Physical Form are requested to write their Folio Number in the attendance slip for attending the Meeting.
- Members / Proxies should bring the attendance slip sent herewith, duly filled in, for attending the meeting.
- In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- The Register of Members and Share Transfer Books shall remain closed from 28th September, 2014 to 30th September, 2014 (Both days inclusive).
- Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote in their behalf at the meeting.
- The Company has paid the annual listing fee to the respective Stock Exchanges for the financial year 2014-15.
- Voting through electronic means:
 - According to Section 108 of Companies Act, 2013, read with Rule 20 of Companies (Management and Administration) Rules, 2014 e-voting is mandatory for all listed companies or companies having Shareholders not less than one thousand.
 - In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of the Listing Agreement with Stock Exchanges, the Company is pleased to provide facility to the members to exercise their right to vote at the 22nd Annual General Meeting (AGM) to be held on Tuesday, September 30th, 2014 at 10.00 A.M. by electronic means on all resolutions and the business may be transacted through e-Voting Services provided by NSDL. The e-voting facility is available at the link <http://www.evoting.nsdl.com>



iii) The electronic voting particulars are set out below:

EVEN (E-VOTING EVENT NO.)	USER ID	PASSWORD/ PIN

The e-voting facility will be available during the following voting period:

COMMENCEMENT OF E-VOTING	END OF E-VOTING
From 10.00 a.m. (Indian Standard Time) on September, 24th, 2014	Upto 4.00 p.m. (Indian Standard Time) on September 26th, 2014

The cut-off date for the purpose of sending this Notice is 29th August, 2014. Please read the instructions printed overleaf before exercising the vote.

- iv) A member may exercise his vote at any general meeting by electronic means and company may pass any resolution by electronic voting system in accordance with Rule 20 of the Companies (Management and Administration) Rules, 2014.
- v) During the e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the fixed or record date, may cast their vote electronically.
- vi) Vote once cast by the member cannot be changed/ altered.
- vii) The voting rights of the shareholders shall be in proportion to their shares of the paid up equity share capital of the Company.
- viii) E-voting is optional to the shareholders.

17. Instruction of Voting through electronic means:

a. The instructions for voting through electronic means are as under:

- I. Members whose e-mail Id's are registered with the Company/ Depository Participants will receive an e-mail from NSDL. Members are requested to follow instructions given below:
 - i. Open e-mail and open PDF File attached therewith viz: "Bits Limited e-voting.pdf" using your Client ID or Folio No. as the Password. The said PDF file contains your user ID and Password/PIN for e-voting. Please note that the password is an initial password and users are required to change the same upon the first login.
 - ii. Launch internet browser by using the URL: <https://www.evoting.nsdl.com>.
 - iii. Click on Shareholders Login.
 - iv. Enter your User ID and Password/PIN as noted in step (i) above for Login.
 - v. Password change menu will appear. Change the password/PIN with the new password of your choice with minimum of 8 digits/characters or combination thereof. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vi. After log in, the home page of e-voting will open. Click on "e-voting active voting cycles".
 - vii. Select "EVEN" (E-Voting event Number) of BITS Limited.
 - viii. Now, you are ready for e-voting as "Cast Vote" Page opens.
 - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

- x. Upon confirmation, the message "Vote Cast Successfully" will be displayed.
- xi. Once you have voted on the Resolution, you will not be allowed to modify your vote.
- xii. Institutional Shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to send scanned copy of the relevant Board Resolution/Authority Letter etc. together with the attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail at cspritikanagi@gmail.com to Ms. Pritika Nagi, Company Secretary in Practice with a copy marked to evoting@nsdl.co.in; failing which the votes cast shall be held invalid.

II. Members whose e-mail Id's are not registered with the Company/Depository Participants will receive the physical copy of the notice of Annual General Meeting and Attendance Slip.

- i. EVEN, User ID and password is provided in the attendance slip at the bottom as follows:

ELECTRONIC VOTING EVENT NUMBER(EVEN)	USER ID	PASSWORD/PIN
-	-	-

- ii. Please follow the instructions given in the sub para (ii) to (xii) in Para a above.

- b. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for the shareholders and e-voting user manual for shareholders are available at the download section of <http://www.evoting.nsdl.com/> or write an email to evoting@nsdl.co.in.
- c. If you are already registered with NSDL for e-voting, then you can use your existing user ID and Password/PIN for casting your vote.
- d. You can also update your mobile no. and e-mail ID in the user profile details of the folio which may be used for future communication(s).
- e. The cut-off date for the purpose of ascertaining shareholders, who are eligible to receive this notice and e-voting is 29th August, 2014.
- f. The e-voting period commences on 24th September, 2014 i.e. Wednesday 10:00 AM and ends on 26th September, 2014 i.e. Friday at 4.00 P.M. During this period, the shareholders of the Company holding shares in physical form or in dematerialized form as on the cutoff date (29th August, 2014) may cast their vote electronically. Thereafter, e voting module shall be disabled by the NSDL for voting and members will not be allowed to vote.
- g. Once, the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to subsequently change it.
- h. The voting rights of the shareholders will be in proportion to their shares of the Paid up Equity Share Capital of the Company as on the cutoff date.
- i. Ms. Pritika Nagi, Company Secretary in Practice COP No. 11279) (Membership No. ACS 29544) has been appointed as Scrutinizer to scrutinize the e voting process in a fair and transparent manner.
- j. The Scrutinizer shall, within a period of not exceeding three working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast

in favour of, or against, if any, forthwith to the to the Chairman of the Company.

- k. The results will be declared on or after the AGM of the Company. The results declared along with the scrutinizer report will be placed on the Company's website www.bitsld.net.in and on the website of NSDL within two days of passing of resolution at the AGM of the Company and will be communicated to the Bombay Stock Exchange.

Members holding shares in physical form are requested to intimate their e-mail address to M/s. Mas Services Limited either by info@masserv.com or by sending a communication at the M/s. Mas Services Limited, T-34, Okhla Industrial Area, Phase II, New Delhi-110020.

ANNEXURE TO THE NOTICE

(Explanatory Statement pursuant to section 102 of the Companies Act, 2013)

The following Explanatory Statement set out all material facts relating to the Special Business mentioned under item No. 4, 5 & 6 of the accompanying Notice dated September, 6th, 2014.

ITEM NO. 4

The Board of Directors appointed Mr. Harish Kumar Chauhan as an Additional Director (Independent Director) of the Company with effect from May, 10th, 2014 under Section 161(1) of the Companies Act, 2013. His term of office expires at the forthcoming Annual General Meeting. And company has received a notice in writing from a member along with the deposit of requisite amount under section 160 of the Companies Act, 2013 proposing the candidature of Mr. Harish Kumar Chauhan for the office of Director of the Company.

Mr. Harish Kumar Chauhan is a Commerce Graduate. He has wide work experience in field of Administration & Marketing and finance. He also holds directorship of Public Companies that are Pan India Corporation Limited, Tactfull Investments Limited and Ujjwal Limited.

Mr. Harish Kumar Chauhan, a non-executive Independent Director has been considered as an Independent Director under Clause 49 of the Listing Agreement.

As per the provisions of section 149 of the Companies Act, 2013 ("Act") which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation.

Mr. Harish Kumar Chauhan has given a declaration to the Board that he meets the criteria of independence as provided under section 149 (6) of the Act.

Mr. Harish Kumar Chauhan is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director

Mr. Harish Kumar Chauhan is holding DIN: 06857506 And declares that he is not disqualified from being appointed as a Director under the act as per section 152(4) of the Companies Act, 2013

The matter regarding appointment of Mr. Harish Kumar Chauhan as an Independent Director was placed before the Nomination and Remuneration Committee, which recommends his appointment as an Independent Director for a term of five consecutive years from the conclusion of this Annual General Meeting upto 31st March, 2019.

In the opinion of the Board, Mr. Harish Kumar Chauhan fulfills the conditions specified in the Companies Act, 2013 and the Rules made

there under for appointment as an Independent Director.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Harish Kumar Chauhan as an Independent Director. Accordingly, In compliance with the provisions of section 149 read with Schedule IV of the Act, the Board recommends the resolution in relation to the appointment of Mr. Harish Kumar Chauhan as an Independent Director before the Members in general meeting for their approval.

Copy of draft letter of appointment which includes terms and conditions of appointment of Mr. Harish Kumar Chauhan as an Independent Directors shall be open for inspection by the members at the Registered Office during normal business hours on any working day of the Company and also posted on the website of the company i.e. <http://www.bits.net.in/>

Save and except above, none of the other Directors/Key managerial personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed ordinary resolution set out in Item No. 4.

ITEM NO. 5

The Board of Directors appointed Ms. Preeti Sharma as an Additional Director (Independent Director) of the Company with effect from August, 12th, 2014 under Section 161(1) of the Companies Act, 2013. Her term of office expires at the forthcoming Annual General Meeting. And company has received a notice in writing from a member along with the deposit of requisite amount under section 160 of the Companies Act, 2013 proposing the candidature of Ms. Preeti Sharma for the office of Director of the Company.

Ms. Preeti Sharma has wide work experience in field of Marketing & Human Resource and finance. She also holds directorship of Public Companies that are Pan India Corporation Limited, Tactfull Investments Limited and Ujjwal Limited.

Ms. Preeti Sharma, a non-executive Independent Director, has been considered as an Independent Director under Clause 49 of the Listing Agreement.

As per the provisions of section 149(1) second proviso of the Companies Act, 2013 ("Act") read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and amended clause of the Listing Agreement (applicable from 1st October, 2014), the Company should have at least one woman director.

Keeping in view of the above legal requirements, board diversity and in deference to Company's shareholders wishes, the Board of Directors have proposed that Ms. Preeti Sharma be appointed as an Independent Director of the Company. And As per the provisions of section 149 of the Companies Act, 2013 ("Act") which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation.

Ms. Preeti Sharma has given a declaration to the Board that she meets the criteria of independence as provided under section 149 (6) of the Act.

Ms. Preeti Sharma is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as Director.

Ms. Preeti Sharma is holding Din- 06942331 and declares that she is not disqualified from being appointed as a Director under the act as per section 152(4) of the Companies Act, 2013.

The matter regarding appointment of Ms. Preeti Sharma as an



Independent Director was placed before the Nomination and Remuneration Committee, which recommends her appointment as an Independent Director for a term of five consecutive years from the conclusion of this Annual General Meeting upto 31st March, 2019.

In the opinion of the Board, Ms. Preeti Sharma fulfills the conditions specified in the Companies Act, 2013 and the Rules made there under for appointment as an Independent Director.

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Ms. Preeti Sharma as an Independent Director. Accordingly, In compliance with the provisions of Section 149(1) second proviso of the Companies Act, 2013 read with Schedule IV of the Act, the Board recommends the resolution in relation to the appointment of Ms. Preeti Sharma as an Independent Director before the Members in general meeting for their approval.

Copy of draft letter of appointment which includes terms and conditions of appointment of Ms. Preeti Sharma as an Independent Directors shall be open for inspection by the members at the Registered Office during normal business hours on any working day of the Company and also posted on the website of the company i.e. <http://www.bits.net.in/>.

Save and except above, none of the other Directors/Key managerial personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed ordinary resolution set out in Item No. 5.

Item No. 6

The Board at its meeting held on 1st March, 2014 , and subject to the approval of members of the company, appointed Shri O.P. Pathak as Whole-Time Director for a period of 3 (three) years i.e. from 1st March, 2014 to 28th February, 2017 at the remuneration recommended by the Nomination and Remuneration Committee of the Board and approved by the Board.

It is proposed to seek the member's approval for appointment of and remuneration payable to Shri O.P. Pathak as Whole-Time Director, designated as Whole Time Director, in terms of the applicable provisions of the Act.

The terms and conditions of remuneration as approved by Nomination and Remuneration committee and applicable to the Whole – Time Director is as under –

Name & Designation	Period of appointment / re-appointment	Salary
Shri Omprakash Ramashankar Pathak (Whole-Time Director)	3 Years w.e.f. 1 st March, 2014	Rs. 40,000 per month

The above remuneration as aforesaid to be allowed to the Whole-Time Director shall be subject to such limits for this remuneration as laid down by the Companies Act, 2013.

The Scope and quantum of remuneration and perquisites specified hereinabove, may be enhanced, enlarged, widened, altered or varied by the Board of Directors in the light of and in conformity with any amendments to the relevant provisions of the Companies Act and / or the rules and regulations made there under and / or such guidelines as may be announced by the Central Government from time to time.

In absence of or inadequacy of profits in any financial year during the period of tenure of the appointee, the aforesaid remuneration will be paid as the minimum remuneration subject to the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 or such other amount as may be provided in Schedule V as may be amended from time to time or an equivalent statutory re-enactments thereof.

The Company shall pay to or reimburse the Whole-Time Director and he shall be entitled to be paid and / or to be reimbursed by the Company all costs, charges and expenses that may have been or may be incurred by him for the purpose of or on behalf of the Company. Whole Time Director will be liable to retire by rotation. Accordingly if he fails to get appointment in General Meeting, his appointment as a Whole Time Director will cease automatically and such agreement terminate forthwith.

If at any time, the Whole Time Director ceases to be Director of the Company for any cause whatsoever, he shall cease to be a Whole Time Director and such agreement shall terminate forthwith.

General Disclosure as per schedule V of the companies Act 2013:

General Information	
Nature of Industry	The main business of the company is to impart education in field of Art, Commerce, Science, Computer Software, Computer Hardware, Business Management , Hotel Management, Engineering & Technical Education and in all innovative fields that may be useful to segments of society by setting up centers, institutes, colleges, universities including Distance Learning Programmes etc
Date or expected date of commencement of commercial production	Not applicable
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable

Financial performance based on given indicators

	2010-2011	2011-2012	2012-2013	2013-2014
Paid up Capital	223,750,000	223,750,000	223,750,000	223,750,000
Reserve & Surplus	169,001,926.00	168,660,888.61	169,971,839.01	137,928,188.59
Profit & Loss Account	(866,945)	(341,037.39)	1,310,950.40	(32,043,650.42)
Revenue from operation	14,045,800	2,394,900.00	417,967.00	1,551,000.00
Other Income	2,276,222	4,164,487.30	3,304,581.00	4,179,453.94
Total Revenue	16,322,022	6,559,387.30	3,722,548.00	5,730,453.94
Profit Before Taxation	(670,344)	(187,614.39)	1,427,947.40	(31,936,110.42)

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Foreign investments or collaborations, if any.	Not applicable
Information about the appointee	
Background details	Mr. Om Prakash Ramashankar Pathak, 39 years, Graduate, has a wide experience in field of Finance, Marketing & Administration.
Past remuneration	Rs. 2,70,000 per annum
Recognition or awards	Nil
Job profile and his suitability	The Job requires high level of planning, vision and strategy and leadership skills. Shri Om Prakash Ramashankar Pathak is having vast experience of Finance and Marketing and has been successfully working as a Director of the Company. He is ideally suited for the job
Remuneration proposed	The details of remuneration are set out above in Explanatory statement.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The salary proposed to be paid is in line with current industry standards based upon size and operations of company.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Beside the remuneration proposed, Shri Om Prakash Ramashankar Pathak, does not have any pecuniary relationship with the company
Other information:	
Reasons of loss or inadequate profits	One of the Promoter Director of the Company i.e. Mr. Ashok Agarwal was expired last year, which affects the working and operations of the company and other factors such as general economic slowdown and consequent adverse market costs and high financial cost have also severally affected the margins of the company.
Steps taken or proposed to be taken for improvement	The Company is making all possible efforts to improve the margins
Expected increase in productivity and profits in measurable terms.	The Company is very conscious about improvement in profits and undertakes constant measure to improve it. However, it is extremely difficult in the present scenario to predict profits in measurable terms.
Disclosures:	
The report on Corporate Governance in the Annual Report indicates the remuneration paid to managerial personnel.	

The Board recommends the resolution set out in item no. 6 of the notice for the approval of the members of the Company.

Save and except above, none of other Directors/Key managerial personnel of the Company/their relatives are in any way concerned or interested, financially or otherwise in the proposed special resolution set out in item no. 6.

10. Information to Shareholders in pursuance of Clause 49(IV) (G) of Equity Listing Agreement with reference to Appointment / Re-appointment of Directors.

1. Name of Director	Mr. Omprakash Ramashankar Pathak
Date of Birth	04/01/1975
Qualification	Graduate
Expertise in Specific Functional area	He has a wide experience in Finance, & Marketing.
Directorship held in Other Companies#	a) PAN India Corporation Limited b) Tactfull Investments Limited c) Ujjwal Limited
Membership/Chairmanship of the specified Committees* of the Board	Membership/ Chairmanship In Audit Committee a) Bits Limited (Member) Membership/ Chairmanship In Stakeholder Relationship Committee a) Tactfull Investments Limited (Chairman)
Date of Appointment	13/08/2013
Shareholding in the Company	Nil
Relationship with other directors	He is not related /associated with any director of the Company.



2. Name of Director	Mr. Harish Kumar Chauhan
Date of Birth	10/03/1992
Qualification	Graduate
Expertise in Specific Functional area	Wide work experience in field of Administration & Marketing and finance
Directorship held in Other Companies#	a) PAN India Corporation Limited b) Tactfull Investments Limited c) Ujjwal Limited
Membership/Chairmanship of the specified Committees* of the Board	Membership/ Chairmanship In Audit Committee a) Pan India Corporation Limited (Member) b) Bits Limited (Chairman) c) Tactfull Investments Limited (Member) d) Ujjwal Limited (Chairman) Membership/ Chairmanship In Stakeholder Relationship Committee a) Tactfull Investments Limited (Member) b) Bits Limited (Member)
Date of Appointment	May, 10 th , 2014
Shareholding in the Company	Nil
Relationship with other directors	He is not related/associated with any director of the Company.

3. Name of Director	Ms. Preeti Sharma
Date of Birth	30/09/1972
Qualification	XIIIth
Expertise in Specific Functional area	Administration, human resources and finance
Directorship held in Other Companies#	a) PAN India Corporation Limited b) Tactfull Investments Limited c) Ujjwal Limited
Membership/Chairmanship of the specified Committees* of the Board	Membership/ Chairmanship In Audit Committee a) Tactfull Investments Limited (Member) b) Bits Limited (Member) Membership/Chairmanship in Stakeholder Relationship Committee a) Nil
Date of Appointment	12 th August, 2014
Shareholding in the Company	Nil
Relationship with other directors	She is not related/associated with any director of the Company.

*Membership/Chairmanship of Audit Committee & Stakeholder Relationship Committee

Excluding private Limited companies, foreign companies and company under section 25 of the Act

**DIRECTOR'S REPORT FOR THE FINANCIAL YEAR
ENDED 31ST MARCH, 2014**

TO THE MEMBERS

Your Directors have immense pleasure in presenting the 22nd Annual Report on the business and operations of the Company together with the Audited Financial Statement of Accounts for the Financial Year Ended March 31, 2014.

SUMMARISED FINANCIAL HIGHLIGHTS

	Current Year 2013-14	Previous Year 2012-13
Turnover	5730453.94	3722548.00
Expenditure	37666564.36	2294600.60
Depreciation	607784.00	603827.00
Profit / Loss after depreciation	(31936110.42)	1427947.40
W/off & Deferred tax liability	107540.00	116997.00
Profit/ (Loss) for the year	32043650.42	1310950.40

REVIEW OF OPERATIONS

During the year, your Company has achieved the turnover of Rs. 5730453.94 against Rs. 3722548.00 attained in the last year. Your directors expect that the initiatives undertaken will result in improvement in financial results in the coming years.

TRANSFER TO RESERVES

Your Company has not made any transfer to Reserves during the financial year 2013 - 2014

DIVIDEND

For the year under review, your Company does not recommend any dividend in the absence of profits.

DIRECTORS

Retire by Rotation

Mr. Omprakash Ramashankar Pathak (DIN-01428320) retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re- appointment. He was appointed to fill the casual vacancy caused by death of Mr. Ashok Agarwal.

Cessation of Directors

Mr. Akhilesh Chandra Khare ceased to be Director of the company w.e.f. May 5th, 2014.

Appointment of Directors

The Board of Directors after recommendation of Nomination and Remuneration Committee of your Company recommends the appointment of Mr. Omprakash Ramashankar Pathak as Whole -time Director of the company for a period of three years with effect from 1st March, 2014 to 28th February, 2017.

The Board of Directors after recommendation of Nomination and Remuneration Committee of your company recommends the appointment of Mr. Harish Kumar Chauhan as an Independent Director for a term of five consecutive years i.e. from conclusion of this Annual General Meeting upto 31st March, 2019.

The Board of Directors after recommendation of Nomination and Remuneration Committee of your company recommends the appointment of Ms. Preeti Sharma as an Independent Director for a term of five consecutive years i.e. from conclusion of this Annual General Meeting upto 31st March, 2019.

Material Changes and Commitments after the date of close of

financial year 2013 – 14

There is no material changes and commitment affecting the financial position of company after the close of financial year 2013-2014 till the date of report.

AUDITORS

M/s Soni Gulati & Co., Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion next Annual General Meeting and to fix their remuneration as may be decided by the Board of Directors.

The Company has received a letter from them to the effect that their appointment, if made, would be within the limits prescribed u/s 139 of the Companies Act, 2013, and they are not disqualified for such an appointment, under the provisions of the Companies Act, 2013. Accordingly, M/s. Soni Gulati & Co., Chartered Accountants, are required to be reappointed as Statutory Auditors of the Company at the ensuing Annual General Meeting.

The Audit Committee and your Board recommends their appointment as Statutory Auditors of the Company.

AUDITOR'S REPORT

The notes on accounts referred to in the Auditors Report are self explanatory and there are no adverse remarks or qualification in the Report and therefore, do not need any further comment.

LISTING OF SECURITIES

The Company's Equity Shares are listed on the **Bombay Stock Exchange Limited**.

PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 217 (2A) OF THE COMPANIES ACT, 1956

As required by the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, no employee of the company is in receipt of remuneration in excess of the limits prescribed there under.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given hereunder:

ENERGY CONSERVATION

There is no manufacturing activity carried on in the company. The company has done its best efforts to save electricity & energy.

TECHNOLOGY ABSORPTION, ADAPTION, INNOVATION AND RESEARCH & DEVELOPMENT

No research & development or technical absorption or adaption & innovation took place in the company during the Financial Year 2013 – 2014.

FOREIGN EXCHANGE EARNINGS & OUTGO

As your Company does not deal in Foreign Exchange, therefore the particulars relating to Foreign Exchange Earnings and Outgo are not applicable to your company.

Foreign Exchange Earnings: Nil
Foreign Exchange Outgo: Nil

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies



Act 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

1. In the preparation of the annual accounts for the period ended 31.03.2014, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
2. The directors had selected such accounting policies and applied them consistently and made judgments & estimates that were reasonable & prudent so as to give a true and fair view of the state of affairs of the Company at the end of the year and of the Loss of the company for the financial year under review;
3. The Directors had taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act 1956 for safeguarding the assets of the Company; and for prevention and detection of fraud and other irregularities;
4. The Annual Accounts for the year ended 31st March, 2014 have been prepared on a going concern basis.

INDUSTRIAL RELATIONS

Since the company is not into any kind of manufacturing activity, there is no matter to discuss about the industrial relations and the company is maintaining cordial relations with its staff members.

CORPORATE GOVERNANCE

Your Company has implemented all the stipulations of the Corporate Governance Practices set out by the Securities and Exchange Board of India and as provided in Clause 49 of the Listing Agreement entered into with the Stock Exchanges. A separate section on Report of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, form part of the Annual Report.

The requisite certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is attached as Annexure B of the Director's Report.

DEPOSITS FROM PUBLIC

During the year under review, the Company has not accepted any public deposit within the meaning of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 as amended up to date.

MANAGEMENTS' DISCUSSION AND ANALYSIS REPORT

Managements' Discussion and Analysis Report for the year under review, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming Annexure A of the Director's Report.

ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their appreciation for the shareholders, bankers and other business associates for their forbearance, understanding and support to the Company. They also wish to place on record their great appreciation of the commitment, sense of involvement and dedication exhibited by each staff member in the overall development, growth and prosperity of the company.

By Order Of Board of Directors
For BITS LIMITED

Place: New Delhi
Date: 06.09.2014

Sd/-
Ankit Rathi
(Director)
DIN No. 01379134

Sd/-
Omprakash Ramashankar Pathak
(Whole Time Director)
DIN No. 01428320

Annexure – A to Director's Report MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The financial statements are prepared in compliance with the requirements of the Companies Act, 1956. There are no material departures from the prescribed accounting standards in the adoption of the accounting standards. The management of BITS LIMITED accepts responsibility for the integrity and objectivity of these financial statements.

A. INDUSTRIAL STRUCTURE & DEVELOPMENTS

Changing economic and business conditions, rapid technology innovation and adoption and globalization are creating an increasingly competitive market environment that is driving corporations to transform the manner in which they operate. Companies in this environment are now focusing even more on their business objectives such as revenue growth, profitability and asset efficiency.

B. OPPORTUNITIES AND THREAT, OUTLOOK, RISK & CONCERNS

Growth in the Indian economy and demand creates unprecedented opportunities for company to invest significantly in each of its core businesses.

Outlook for the overall industries is positive. In keeping with the philosophy of continuous consumer centric approach which is the hall mark of any organization, several developmental activities have been planned for the next fiscal.

Risk in cost of raw materials, environmental liabilities, tax laws, labour relations, litigation and significant changes in the Global political and economical environment exert tremendous influence on the performance of the company.

C. REVIEW OF OPERATIONS:

The overall performance during the year 2013-2014 has been satisfactory. However, the Company is endeavoring its best for: Exploring new areas for growth.

Cost reduction measures involving increased focus on operational efficiencies, energy savings and control over administration costs. Better working capital management

D. HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS:

The Company believes that the employees are the backbone of the Company. Congenial and safe work atmosphere, appropriate recognition and rewards, constant communication, focus on meeting customer needs and change management through training are the hallmarks for development of human resources of the company. Every employee is aware of the challenges posed by the current economic environment. Employee morale has remained high even during difficult times. The employees have co-opted fully with the management in implementing changes as required by the market.

And it is providing an opportunity to all the employees to utilize their full potential and grow in the Organization. There was no strike or labour unrest during the last financial year.

E. INTERNAL CONTROL SYSTEM & THEIR ADEQUACY:

The Company has adequate internal control procedures commensurate with the size of the Company and the nature of its

business. These systems are designed to ensure that all the assets of the company are safeguarded and protected against any loss and that all the transactions are properly authorized recorded and reported.

The company has an internal audit function, which is empowered to examine the adequacy and compliance with policies, plans and statutory requirements. It is also responsible for assessing and improving the effectiveness of risk management, control and governance process.

F. FINANCIAL REVIEW AND ANALYSIS

The financial performance of the Company for the financial year ended March 31, 2014 is given as under:-

PERFORMANCE	Year ended 31-3-2014
Revenue	5730453.94
Expenditure	37666564.36
Profit/ (Loss) before tax	(31936110.42)
Depreciation	Nil
Provision for Tax	107540.00
Profit/(Loss) for the year	32043650.42

G. CAUTIONARY STATEMENT:

Certain Statements in the "Management Discussion and Analysis" describing the Company's objectives, expectations or predictions may be "forward - looking statements" within the meaning of applicable laws or regulations. These Statements are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied due to various risk & uncertainties. Important factors that could make a difference to the Company's operations include changes in Govt. regulations, tax regimes, economic developments and other factors such as litigation. The company does not undertake to update these statements.

By Order Of Board of Directors
For **BITS LIMITED**

	Sd/-	Sd/-
Place: New Delhi	Ankit Rathi	Omprakash Ramashankar Pathak
Date: 06.09.2014	(Director)	(Whole Time Director)
	DIN No. 01379134	DIN No. 01428320

Annexure-B to Directors' Report

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To
**The Members,
Bits Limited**

We have examined the compliance of conditions of Corporate Governance by **BITS LIMITED** during the year ended 31.03.2014 with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of 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.

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.

We state that no investor's grievances are pending for a period exceeding one month against the company as per the records maintained by the Shareholders/Investors Grievance Committee.

On the basis of our review and according to the information and explanation given to us, the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement with the Stock Exchanges have been complied with in all material respect by the Company.

For and on behalf of **M/s Soni Gulati & Co.**
Chartered Accountants

	Sd/-
	(Sanjeev Kumar)
	(Partner)
Place: New Delhi	Membership No. 91901
Date: 06.09.2014	

REPORT ON CORPORATE GOVERNANCE

1. Corporate Governance is an integral part of values, ethics and the best business practices followed by the Company. The basis of Corporate Governance envisages optimal utilization of resources for enhancing the values of the enterprise by effectively monitoring executive performance and supporting the entrepreneurship spirit and to ensure ethical behavior of the enterprise in honoring and protecting the rights of all stakeholders, including discharge of social responsibility, through highest level of transparency and accountability in all facets of its operations. The core values of the Company are:

- Caring for people
- Integrity including intellectual honesty, openness, fairness & trust.
- Commitment to excellence and customer satisfaction.

The Company has in place a Code of Corporate Ethics and Conduct reiterating its commitment in interface with stakeholders and clearly laying down the core values and corporate ethics to be practiced by its entire management cadre. The Company strives to set and achieve high standards of Corporate Governance. The very essential characteristics of the Company are transparent functioning, social responsiveness and accountability towards shareholders.

This year's annual report has made substantial disclosures on the Board of Directors, financial performance, which are as follows:

2. Board of Directors:

The Board of Directors of the Company comprises of a fair number of independent directors and optimum combination of Executive and Non executive directors. The chairman of company is non executive director and holds no shares in the company.

Details of Board Meetings

Eleven Board Meetings were held during the year on 11/05/2013, 30/05/2013, 26/06/2013, 01/07/2013, 13/08/2013, 30/08/2013, 11/11/2013, 11/02/2014, 13/02/2014, 01/03/2014 and 03/03/2014. The intervening period between two meetings was well within the maximum time gap of 4 months as prescribed under Corporate Governance norms.

Name of the Director	Designation	Category	No. of Board Meetings held during the year 2013-2014	No. of Board Meetings Attended during the year 2013-2014	Number of Directorship in other Companies	Attendance of each Director at last AGM	No. of other Board Committee(s) of which he is a member **	No. of other Board Committee(s) of which he is a Chairman**
Mr. Ankit Rathi	Director	Chairman Promoter /Non-Executive	11	11	11	Yes	2	2
*Mr. Akhilesh Chandra Khare	Director Independent Director	Non-Executive /	11	11	0	Yes	—	—
Mr. Omprakash Ramashankar Pathak	Whole Time Director / Promoter	Executive Director	11	11	10	Yes	4	—
\$Late Sh. Ashok Agarwal	Director	Promoter/ Whole time director	11	01	01	No	—	—

**Excluding membership and chairmanship of committees of all private limited companies, foreign Companies and Companies under section 25 of the Companies Act, 1956.

**Committee position only of the Audit Committee and Shareholders'/Investors' Grievance Committee have been considered

* Mr. Akhilesh Chandra Khare resigned from the Board of the Company w.e.f May, 5th, 2014.

\$ Mr. Ashok Agarwal ceased to be a director of company w.e.f. 22nd July due to his death.

Membership/Chairmanship of the Directors in various Committees are within the permissible limits of the Listing Agreement.

3. Audit Committee

The company has in accordance with the Listing Agreement and companies Act as applicable constituted an Audit Committee to exercise powers and discharge functions as stipulated in Clause 49 of Listing Agreement read with companies Act.

The Audit Committee of the Board comprises three members and all are Non-Executive & Independent Directors. All the members of the committee are well versed in finance matters, accounts and general business practice.

The Audit Committee as constituted in compliance of Clause 49 of Listing Agreement consists of the following as on 31.03.2014:

i)	Mr. Ankit Rathi	Chairman	Independent/Non-executive
ii)	Mr. Akhilesh Chandra Khare	Member	Independent/Non-executive
iii)	Mr. Omprakash Ramashankar Pathak	Member	Independent/Non-executive

Mr. Ankit Rathi is Chairman of the committee and was present in the last Annual General Meeting of company.

The Constitution of the Audit Committee complies with the requirements of Clause 49 of the Listing Agreement and also complies with the Act.

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Meetings:

The Committee met 4 times during the year on 11.05.2013, 13.08.2013, 11.11.2013 and 11.02.2014 and the attendance of Members at the Meetings was as follows:

The Board had reconstituted the composition of audit committee on its meeting held on 13/08/2013 and also enhanced the terms of reference of audit committee in compliance of provisions of Companies Act read with listing agreement:

S.No	Name	Status	No. of meetings during the year	No. of Meetings Attended
i)	Mr. Ankit Rathi	Chairman	4	4
ii)	Mr. Akhilesh Chandra Khare	Member	4	4
iii)	Mr. Omprakash Ramashankar Pathak	Member	4	3
iv)	Late Sh. Ashok Agarwal	Member	4	01

The Board discussed that due to the resignation of Mr. Akhilesh Chandra Khare on May, 5th 2014, member of Audit Committee, composition of Audit Committee has become less than the minimum number prescribed under 177 of Companies Act, 2013 and Clause 49 of Listing Agreement. So the Board had reconstituted committee on its meeting held on 27th May, 2014 and also fixed the terms of reference of such committee in compliance of provisions of Companies Act read with listing agreement.

The present composition of audit committee is as follows:

Name	Designation
Mr. Harish Kumar Chauhan	Chairman
Ms. Preeti Sharma	Member
Mr. Omprakash Ramashankar Pathak	Member

The role of Audit Committee includes the review of the following:

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. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
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 and auditor's report thereon 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 (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. 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;
16. 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;
17. 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;
18. To review the functioning of the Whistle Blower mechanism;
 19. 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 and background, etc. of the candidate;
 20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

The role of Audit Committee includes recommending the appointment and removal of Statutory Auditor, discussion of Audit Plan, fixation of Audit Fees, and also approval for payment of any other services.

4. Remuneration Committee

As no remuneration is being paid to any Director, no remuneration committee was constituted during the financial year 2013-2014.

Further the Board had constituted a Nomination and remuneration committee and also fixed the terms of reference of such committee in compliance of provisions of Companies Act read with listing agreement:

The present composition of Nomination and Remuneration Committee is as follows:

Name	Designation
Mr. Harish Kumar Chauhan	Chairman
Ms. Preeti Sharma	Member
Mr. Ankit Rathi	Member

The role of Nomination and Remuneration Committee includes the following

- 1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- 2) Formulation of criteria for evaluation of Independent Directors and the Board;
- 3) Devising a policy on Board diversity;
- 4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

Remuneration of Directors

The details of the remuneration paid to the Directors for the financial year 2013-14 are as under:

Name of Director	Salary & Perquisites	Sitting Fees	Total
Shri Ankit Rathi	—	—	—
Shri Omprakash Ramashankar Pathak	Rs. 2,70,000 per annum	—	—
Shri Akhilesh Chandra Khare	—	—	—
Late Shri Ashok Agarwal	—	—	—
Total	Rs. 2,70,000		

The remuneration of Executive directors are fixed with no performance linked incentives.

The company also enters into specific agreements with each executive director detailing the duties, responsibilities, remuneration, notice period etc. There is no severance fee to be paid to executive directors as per terms agreed. The notice period is fixed as one month before vacating the position by each executive director.

5. Shareholders/Investors Grievance Committee

In compliance with the Clause 49 of the Listing Agreement, the shareholders/Investors Grievance Committee has been constituted by the board for a speedy disposal of grievances complaints relating to the shareholders and investors.

The Shareholders/Investors Grievance Committee consists of three Directors and all are Non-executive & Independent Directors, as on 31st March 2014, which were as follows:

i) Mr. Ankit Rathi	Chairman	Independent/Non-executive
ii) Mr. Akhilesh Chandra Khare	Member	Independent/Non-executive
iii) Mr. Omprakash Ramashankar Pathak	Member	Independent/Non-executive

The Committee met 4 times during the year on 11.05.2013, 13.08.2013, 11.11.2013 and 11.02.2014 and the attendance of Members at the Meetings was as follows:

S.No	Name	Status	No. of meetings during the year	No. of Meetings Attended
i)	Mr. Ankit Rathi	Chairman	4	4
ii)	Mr. Akhilesh Chandra Khare	Member	4	4
iii)	Mr. Omprakash Ramashankar Pathak	Member	4	3
iv)	Late Sh. Ashok Agarwal	Member	4	1

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The Committee received and redresses the complaints of the shareholders in respect of matters pertaining to transfer of shares, non-receipt of Annual Report, dematerialization of shares, non-receipt of declared dividend etc.

The share transfers are handled by the registrar and transfer agent i.e. Mas Services Limited.

During the year under review, the status of request letters/complaints were as follows

	Received	Resolved	Balance
Complaints	Nil	Nil	Nil

There is no complaint pending for satisfaction of shareholders/investors

The Board had renamed the Shareholders/Investors Grievance Committee to Stakeholder Relationship committee to align the same with the requirement of Companies Act 2013 and reconstituted the composition of such committee on its meeting held on 27th May, 2014 and also redefine the terms of reference of such committee in compliance of provisions of Companies Act read with listing agreement:

The present composition of Stakeholder Relationship committee is as follows:

Name	Designation
Mr. Ankit Rathi	Chairman
Mr. Harish Kumar Chauhan	Member

The role of Stakeholder Relationship Committee includes the review of the following:

- a) The stakeholder relationship committee shall consider & resolve the grievances of the Security holders of the Company.

6. RISK MANAGEMENT COMMITTEE

The Board has constituted Risk Management Committee on its meeting held on 27th May, 2014 and also fixed the terms of reference of such committee in compliance of provisions of Clause 49 of Listing Agreement:

The present composition of Risk Management Committee is as follows:

Name of Member	Designation
Mr. Omprakash Pathak (Promoter /Executive)	Chairman
Mr. Ankit Rathi (Promoter/ Non-Executive)	Member

COMPLIANCE OFFICER

The Board has designated Mr. Omprakash Ramashankar Pathak, Whole - Time Director, as Compliance Officer.

7. General Body Meeting.

Information about General Meetings held in last 3 years:

For the Year	Venue	Day, Date & Time	Special Resolution
2010-2011	Registered Office i.e 23, Great Western Building, 130/132, 1st Floor, SBS Road, Apollo Street, Fort, Mumbai – 400023	Friday, 30 th September 2011, 4.00 P.M	Special Resolution passed u/s 372A and 293(1)(e) for Inter Corporate Loans & Investments and contribution to charitable and other funds.
2011-2012	Registered Office i.e 4/18, IIInd Floor, Asaf Ali Road, New Delhi - 110002	Saturday, 29 th September 2012, 10.00 A.M	Special Resolution passed u/s 372A and 293(1)(e) for Inter Corporate Loans & Investments and contribution to charitable and other funds.
2012 – 2013	Registered Office i.e 4/18, IIInd Floor, Asaf Ali Road, New Delhi - 110002	Monday, 30 th September, 2013, 10.00 A.M	No Special Resolution Passed

8. POSTAL BALLOT INFORMATION

No resolutions were passed through Postal Ballot during the period under review.

9. DISCLOSURES

1. None of the material transactions with any of the related parties were in conflict with the interest of the Company.
2. There has been no non compliance by the Company nor were any penalties or strictures imposed on the Company by Stock Exchanges, SEBI or any other statutory authority on any matter related to capital markets during the last three years.
3. Whistle Blower Policy - The Company promotes ethical behavior in all its business activities and has put in place mechanism of reporting illegal or unethical behavior. Employees are free to report violations of laws, rules, regulation or unethical conduct to their immediate supervisor/ notified person. No person has been denied access to the audit committee. The Directors and Senior Management are obligated to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practices.
4. The Company has complied with all the mandatory requirements of Clause 49. As regard the non-mandatory requirements, Company tries to implement them to the extent possible.
5. A certificate duly signed by the Whole time Director relating to financial statements and internal controls and internal control systems for financial

reporting as per the format provided in Clause 49 (V) of the listing agreement was placed before the Board, who took the same on record.

6. Profile and other information regarding the Directors being appointed/re-appointed as required under clause 49 IV(G)(i) of the Listing Agreement have been given in the Notice of the Annual General Meeting annexed to this Annual Report

The Company follows a formal management policy and system of legal compliance and reporting to facilitate periodical review by the Board of compliance status of laws applicable to the company and steps taken to rectify non-compliance, if any.

7. Declarations by the Whole Time Director under Clause 49 IV (F) (II) of the Listing Agreement.

The Company's senior management has confirmed to the Board of Directors that they do not have any personal interest related to its material, financial and commercial transactions that may have a potential conflict with the interests of the Company at large.

9. Mr. Omprakash Ramashankar Pathak, Whole-Time Director of the Company has furnished the requisite certificate regarding affirming compliance with the Code of Conduct, for the financial year ended March 31, 2014, which is attached with the report.

10. The company has complied with all the Accounting Standards applicable to the company.

11. The company has not come out with any Public Issue / Preferential Issue in the Financial Year 2013-2014.

10. Disclosure regarding re-appointment of Directors or change of terms of directors

According to Article of Association of your Company, at every Annual General Meeting of the Company, one third Directors of the Board who are liable to be retire by rotation. Shri Omprakash Ramashankar Pathak who was appointed to fill the casual vacancy caused by death of Sh. Ashok Agarwal shall be liable to retire by rotation. However Sh. Omprakash Ramashankar Pathak, being eligible, offers himself for re-appointment.

Brief resume of Directors being re-appointed at the ensuing Annual General Meeting, nature of expertise in specific functional area and names of Companies in which hold Directorship, Chairmanship and Membership at the Committees at the Board given in the notice of forthcoming Annual General Meeting annexed to this Annual Report.

Management Discussion and Analysis

This Annual Report has a detailed section of Management Discussion and Analysis.

11. MEANS OF COMMUNICATION:

Timely Disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is the core of good corporate governance.

Quarterly /half yearly/Annual results:

Quarter (2013 - 2014)	Date of Board Meeting	Newspapers where in results are published
30 th June, 2013	13.08.2013	Millenium Post (English Daily) Hari Bhoomi (Hindi Daily)
30 th September,2013	11.11.2013	Millenium Post (English Daily) Millenium Darpan (Hindi Daily)
31 st December, 2013	11.02.2014	Millenium Post (English Daily) Samachar jagat (Hindi Daily)
31st March, 2014	28.05.2014	Millenium Post (English Daily) Samachar jagat (Hindi Daily)

Financial results are also displayed on the website of the company i.e. <http://www.bits.net.in/>

12.1 General Shareholders Information:

Event : Annual General Meeting for Financial Year Ended 31st, March, 2014

Day Tuesday

Date & Time September, 30, 2014 at 10.00 A.M

Venue Plot No. 122, Mahalaxmi Vihar, Karawal Nagar, Delhi- 110094

12.2 Financial Calendar (Tentative) for the Financial Year 2014 -2015

Tentative calendar of events for the financial year 2014 -15 (April to March) is as under:

Adoption of Quarterly Financial Results for:

First Quarter – by mid of August, 2014

Third Quarter-by mid of February, 2015

Second Quarter-by mid of November, 2014

Fourth Quarter- by mid of May/ end of May, 2015

12.3 Dates of Book Closure

The Register of Members and Share Transfer Register will remain closed on 28th September, 2014 to 30th September, 2014 (both days inclusive) on account of Annual General Meeting.

12.4 Dividend Payment Date

No dividend has been recommended for the year ended 31st March, 2014.

12.5 Listing at Stock Exchanges

BOMBAY STOCK EXCHANGE LIMITED

Phiroze Jeejeebhoy Towers,

Dalal Street, Fort, Mumbai- 400023

Listing Fee for the year 2014-2015 has been paid to Bombay Stock Exchange (BSE).

12.6 Stock Code

Scrip Code: 526709

12.7 Market Price Data for the year 2013 -14

Company Name: BITS LIMITED

Month	The Bombay Stock Exchange (BSE)	
	Month's High Price	Month's Low Price
April, 2013	0.18	0.19
May, 2013	0.19	0.13
June, 2013	0.13	0.07
July, 2013	0.11	0.06
August, 2013	0.07	0.05
September, 2013	0.07	0.05
October, 2013	0.18	0.04
November, 2013	0.22	0.16
December, 2013	0.22	0.14
January, 2014	0.23	0.12
February, 2014	0.30	0.23
March, 2014	0.25	0.20

12.9 Registrar and Transfer Agents

M/s Mas Services Ltd.

T-34, Okhla Industrial Area, Phase-II, New Delhi-110020

Phone No.: 011-26387281/82/83, Fax No.: 011-26387384

Email ID: info@masserv.com

Contact Person: Sharwan Mangla

12.10 Share Transfer System

Transfers of Equity Shares are handled by Mas Services Limited. The transferee is required to furnish transfer deed duly completed in all respects together with share certificate to M/s Mas Services Limited at the above address in order to enable the Registrar and transfer agent to process the transfer.

The share transfer committee normally attends to share transfer formalities once in a fortnight. De-mat requests are normally confirmed within 21 days from the date of receipt of request.

12.11 Distribution of Shareholding as on 31.03.2014

Category	No. of Shares held	% of Shareholding
A. PROMOTERS		
Promoter and Promoter Group	72461460	64.77
B. PUBLIC		
Bodies Corporate	1671121	1.494
Individuals holding nominal share capital upto 1 lac	30999169	27.709
Individuals holding nominal share capital in excess of 1 lac	5108255	4.566
NRIs/OCBs	1158834	1.036
Clearing Members	398661	0.356
Mutual Funds/UTI	30500	0.027
Financial Institutions/Banks	47000	0.042
Wholly owned subsidiaries	0	0.0
Total	111875000	100

Distribution of Shareholding as on 31st March, 2014

Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1-5000	14095	83.640	12072689	10.791
5001-10000	1498	8.889	6218936	5.559
10001-20000	730	4.332	5930313	5.301
20001-30000	240	1.424	3022571	2.702
30001-40000	97	0.576	1790678	1.601
40001-50000	51	0.303	1205216	1.077
50001-100000	87	0.516	3122182	2.791
100001 & above	54	0.320	78512415	70.179
Total	16852	100	111875000	100



12.12 Dematerialization of Shares

Pursuant to the SEBI directive, to enable the shareholders to hold their shares in electronic form, the Company has already enlisted its shares with Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Limited. Company has been allotted ISIN No. INE – 839A01021. As at 31.03.2014, 1,02,29,721 Equity Shares were held in demat form in CDSL and 9,17,57,979 shares were held in demat form in NSDL.

12.13 Outstanding GDR'S/ADR's/ Warrants or any Convertible instruments, conversion date and likely impact on equity

There are no Outstanding GDR'S/ADR's/ Warrants or any Convertible instruments.

12.14 Plant Locations

The Company does not have any manufacturing activity.

12.15 Address for correspondence

Registered Office: 1111, 11th Floor, New Delhi House, 27, Barakhamba Road, New Delhi-110001

Website: <http://www.bits.net.in/>

To
The Members of Bits Limited.

DECLARATION BY THEWHOLE TIME DIRECTOR PURSUANT TO CLAUSE 49(1)(D)(II) OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT.

In accordance with Clause 49 sub-clause I (D) of the Listing Agreement with the stock exchanges, I, Omprakash Ramashankar Pathak, Whole Time Director of the Company, hereby declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct formulated by the Company for the financial year ended March 31, 2014.

Place: New Delhi
Date: 06.09.2014

By Order Of Board
For Bits Limited

Sd/-
Omprakash Ramashankar Pathak
(Whole Time Director)
DIN No. 01428320

CEO/ WHOLE TIME DIRECTOR CERTIFICATION

I, Om Prakash Ramashankar Pathak, Whole Time Director of Bits Limited to the best of my knowledge and belief hereby certify that:

- a) I have reviewed financial statements and the cash flow statement for the year 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 & fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I 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 propose to take to rectify these deficiencies.
- d) I have indicated to the Auditors and the Audit Committee
 - 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;
 - 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.

Date: 06.09.2014
Place: New Delhi

Sd/-
Omprakash Ramashankar Pathak
(Whole Time Director)
DIN No. 01428320

INDEPENDENT AUDITOR'S REPORT

To the Members of
BITS LIMITED.

We have audited the accompanying financial statements of BITS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of section 133 of the Companies Act 2013 in term of **General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs**) This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, **but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.** An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (i) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to the Companies Act, 1956, (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in term of **General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs**).
 - (ii) Investment in Shares quoted on regional stock exchanges/ Unquoted Shares does not have readily market value.
 - (iii) *Loans & advances are subject to confirmation.*
 - d) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - e) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Soni Gulati & Company
Chartered Accountants
FRN:8770

Sd/-
Sanjeev kumar
(Partner)
Membership No. :091901

Place: New Delhi

Date: 27/05/2014

ANNEXURE TO THE AUDITOR'S REPORT

(As referred to in paragraph (1) of our report of even date on the accounts of BITS Ltd. for the year ended on 31.03.2014)

1. (a) The Company has maintained proper records of Fixed Assets showing full particulars including quantitative details & situations of Fixed Assets.
- (b) Further we are informed that the management during the current year has conducted physical verification of fixed assets at regular intervals and no material discrepancies were noticed

- by the management on physical verification of these fixed assets.
- (c) In our opinion, the Company has not disposed of substantial part of the fixed assets during the year and going concern status of the company is not affected.
2. (a) As informed to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification was reasonable.
- (b) The procedure of physical verification of inventories followed by the management was reasonable and adequate in relation to the size of the company and nature of its business.
- (c) In our opinion and based on our examination, the company has maintained proper records of inventory. No material discrepancies were noticed on physical verification of stocks as compared to book records.
3. a. The company has granted unsecured interest free loan to one company covered in the Register maintained under section 301 of Companies Act, 1956. The amount of loan given during the year was Rs. 400018 Lacs.
- b. In our opinion except the rate of interest (which is interest free), other conditions of loans given by the company are prima facie not prejudicial to the interest of the Company.
- c. There is no stipulation regarding Repayment of Principal.
- d. The Company had taken loan from one company covered in the register maintained Under section 301 of the companies Act, 1956. The amount of loan taken During the year was Rs. 16 Lacs.
- e. The loan taken was interest free
- f) There is no stipulation regarding Repayment of Principal.
4. In our opinion and according to the information and explanations given to us, there are Adequate internal control procedures commensurate with the size of the company and the Nature of its business with regard to purchase of inventory, fixed assets and with regard to the Sale of goods and services. During the course of our audit we have not observed any Continuing failure to correct major weaknesses in internal controls.
5. a. According to the information and explanations given to us we are of the opinion that the Transaction that need to be entered into the register maintained u/s 301 of the Companies Act, 1956 are being entered.
- b. In our opinion and according to the information and explanations given to us, we are of the opinion that the transactions made in pursuance of contracts or arrangements have been made at price which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information & explanation given to us the company has not accepted deposits from the public, therefore the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules 1975 are not applicable to the company
7. The Company does not have an internal audit system commensurate with the size of business.
8. We are informed that the Central Government has not prescribed for the maintenance of cost records under section 209(i) (d) of the Companies Act, 1956, for the Company.
9. (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including PF, Investors education protection fund, ESI, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs duty, Excise duty, Cess and the other material statutory dues to the extent applicable. No undisputed amounts were outstanding for a period of more than six months from the date of becoming payable.
- (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, custom duty, excise duty and cess as on 31/03/2014 which has not been deposited on account of any dispute.
10. Accumulated losses of the company is less than 50% of its net-worth. The Company has incurred cash loss during the financial year, there were no cash losses in the immediately preceding financial year.
11. According to the information & explanation given to us, the company has not taken any loans from the financial institutions or bank or debenture holders during the year, so there is no question of the default in payment.
12. According to the information & explanation given to us, the company has not granted Loans & Advances on the basis of security by way of pledge of shares, debentures and other securities during the year. Therefore the provisions of clause 4(xii) of the CARO 2003 are not applicable to the company.
13. In our opinion and according to the information and explanations given to us, the company is not a chit fund or Nidhi Mutual benefit fund / Society. Therefore the provisions of clause 4(xiii) of the CARO 2003 are not applicable to the company.
14. The company is not dealing in or trading in shares, securities, debentures and other investments. Therefore the provisions of clause (xiv) of Para 4 of the order are not applicable to the company.
15. According to the information & explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions during the year. Therefore the provisions of clause (xv) of Para 4 of the order are not applicable to the company.
16. As per examination, the company has not taken any term loan during the year. Therefore the provisions of clause (xvi) of Para 4 of the order are not applicable to the company.
17. The company has not raised any short term fund which has been used for the long term investment during the year, therefore the provisions of clause (xvii) of Para 4 are not applicable to the company.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year. Therefore the provisions of clause (xviii) of Para 4 of the order are not applicable to the company.
19. The company has not issued debentures during the year. Therefore the provisions of clause (xix) of Para 4 of the order are not applicable to the company
20. The company has not raised money by public issues during the year. Therefore the provisions of clause (xx) of Para 4 of the order are not applicable to the company
21. Based on our audit procedures and on the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

For **Soni Gulati & Company**
Firm No. : 8770
Chartered Accountants

Sd/-
Sanjeev Kumar
(Partner)
M.No. : 091901

Place: New Delhi
Date: 27.05.2014

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BALANCE SHEET AS AT 31ST. MARCH, 2014

P A R T I C U L A R S	Note	As At 31st, March 2014	As At 31st, March 2013
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDER'S FUND			
(a) SHARE CAPITAL	1	223,750,000.00	223,750,000.00
(b) RESERVES AND SURPLUS	2	137,928,188.59	169,971,839.01
(2) NON CURRENT LIABILITIES			
(a) LONG TERM BORROWINGS			
(i) LOANS & ADVANCES FROM OTHERS	3	-	2,000,000.00
(b) DEFERRED TAX LIABILITY(NET)		3,035,862.00	2,928,322.00
(3) CURRENT LIABILITIES			
(a) OTHER CURRENT LIABILITIES	4	172,633,486.00	193,946,756.00
TOTAL		537,347,536.59	592,596,917.01
II. ASSETS			
(1) NON CURRENT ASSETS			
(a) FIXED ASSETS			
(i) TANGIBLE FIXED ASSETS	5	18,001,810.00	18,117,811.00
(b) NON CURRENT INVESTMENTS	6	108,810,145.00	218,080,360.00
(2) CURRENT ASSETS			
(a) INVENTORIES	7	9,286,119.00	40,692,392.00
(b) TRADE RECEIVABLES	8	246,928,312.00	246,931,062.00
(c) CASH AND CASH EQUIVALENTS	9	1,713,734.59	795,230.01
(d) SHORT TERM LOANS AND ADVANCES	10	122,607,416.00	67,980,062.00
TOTAL		537,347,536.59	592,596,917.01

NOTES TO ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES 17

THE NOTE NOS 1 TO 17 ARE INTEGRATED PART OF FINANCIAL STATEMENTS - -

IN TERMS OF OUR AUDIT REPORT
OF EVEN DATE ATTACHED

FOR **SONI GULATI & CO.**
CHARTERED ACCOUNTANTS
FRN 08770

FOR & ON BEHALF OF BOARD

Sd/-
(SANJEEV KUMAR)
PARTNER
M. NO. 091901

Sd/-
(OMPRAKASH PATHAK)
WHOLE TIME DIRECTOR
Din No. 01428320

Sd/-
(ANKIT RATHI)
DIRECTOR
Din No. 01379134

PLACE : NEW DELHI
DATE : 27.05.2014



STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2014

S.No	P A R T I C U L A R S	Note	For The Year Ended 31st March,2013	For The Year Ended 31st March,2014
I.	REVENUE FROM OPERATIONS	11	1,551,000.00	417,967.00
II.	OTHER INCOME	12	4,179,453.94	3,304,581.00
III.	TOTAL REVENUE		5,730,453.94	3,722,548.00
IV.	EXPENSES:			
	CHANGE IN INVENTORIES	13	1,406,273.00	410,831.00
	EMPLOYEE BENEFIT EXPENSES	14	2,166,251.00	628,950.00
	FINANCE COSTS	15	3,106.90	1,539.60
	DEPRECIATION		607,784.00	603,827.00
	OTHER EXPENSES	16	33,483,149.46	649,453.00
	TOTAL EXPENSES		37,666,564.36	2,294,600.60
V.	PROFIT BEFORE TAX(III-IV)		(31,936,110.42)	1,427,947.40
VI.	TAX EXPENSE:			
	(1) CURRENT TAX			
	(2) DEFERRED TAX		-	-
		107,540.00		116,997.00
VII.	PROFIT(LOSS) FOR THE PERIOD(V-VI)		(32,043,650.42)	1,310,950.40
VIII.	EARNINGS PER EQUITY SHARE			
	(1) BASIC		-0.286	0.012
	(2) DILUTED		-0.286	0.012

NOTES TO ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES 17
THE NOTE NOS 1 TO 17 ARE INTEGRATED PART OF FINANCIAL STATEMENTS

IN TERMS OF OUR AUDIT REPORT
OF EVEN DATE ATTACHED

FOR **SONI GULATI & CO.**
CHARTERED ACCOUNTANTS
FRN 08770

FOR & ON BEHALF OF BOARD

Sd/-
(SANJEEV KUMAR)
PARTNER
M. NO. 091901

Sd/-
(OMPRAKASH PATHAK)
WHOLE TIME DIRECTOR
Din No. 01428320

Sd/-
(ANKIT RATHI)
DIRECTOR
Din No. 01379134

PLACE : NEW DELHI
DATE : 27.05.2014

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NOTES TO THE ACCOUNTS

	As At 31st March,2014	As At 31st March,2013		
NOTE - 1				
SHARE CAPITAL				
AUTHORIZED SHARE CAPITAL				
201250000 EQUITY SHARES OF RS. 2/-EACH (PR. YEAR 201250000 EQUITY SHARES OF RS. 2/-EACH)	402,500,000.00	402,500,000.00		
ISSUED, SUBSCRIBED & PAID UP	223,750,000.00	223,750,000.00		
111875000 EQUITY SHARES OF RS. 2/-EACH (PR. YEAR 111875000 EQUITY SHARES OF RS. 2/-EACH)	223,750,000.00	223,750,000.00		
DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF PAID UP EQUITY SHARE CAPITAL				
SHAREHOLDER	31.03.2014 NO. OF SHARES	31.03.2013 NO. OF SHARES	AS AT 31.03.2014 PERCENTAGE	AS AT 31.03.2013 PERCENTAGE
PAN INDIA CORPORATION LTD.	0	48918539	0.00%	43.73%
VIZWISE COMMERCE PRIVATE LIMITED	72461460	23542921	64.77%	21.04%
SHARE RECONCILIATION STATEMENT			AS AT 31.03.2014	AS AT 31.03.2013
PARTICULARS			EQUITY	EQUITY
SHARES OUTSTANDING AT THE BEGINNING OF THE YEAR			111,875,000	111,875,000
SHARES ISSUED DURING THE YEAR			-	-
SHARES BOUGHT BACK DURING THE YEAR			-	-
SHARES OUTSTANDING AT THE END OF THE YEAR			111,875,000	111,875,000
NOTE - 2				
RESERVES AND SURPLUS				
SHARE PREMIUM			248,750,000.00	248,750,000.00
GENERAL RESERVE			1,000,000.00	1,000,000.00
PROFIT & LOSS ACCOUNT				
OPENING BALANCE			(79,778,160.99)	(81,089,111.39)
ADD: PROFIT/(LOSS) OF CURRENT YEAR			(32,043,650.42)	1,310,950.40
CLOSING BALANCE			(111,821,811.41)	(79,778,160.99)
			137,928,188.59	169,971,839.01
NOTE - 3				
LOANS & ADVANCES FROM OTHERS				
UNSECURED:				
LOAN FROM BODY CORPORATE			-	2,000,000.00
			-	-
			-	2,000,000.00
NOTE - 4				
OTHER CURRENT LIABILITIES				
OTHER LIABILITIES			172,615,486.00	193,876,906.00
AUDIT FEES PAYABLE			18,000.00	18,000.00
SALARY PAYABLE			-	51,850.00
			172,633,486.00	193,946,756.00

NOTE-5

TANGIBLE FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	Ason 01/04/2013	Addition	Deduction	Ason 31/03/2014	Up To 31/03/2013	For the Year	Depreciation Adjustment	Up To 31/03/2014	As On 31/03/2014	As On 31/03/2013
AIRCONDITIONER	2,340,132	-	-	2,340,132	1,969,399	111,156	-	2,080,555	259,577	370,733
COMPUTER & ACCESSORIES	55,380,772	139,048	-	55,519,820	55,354,729	-	-	55,354,729	165,091	26,043
ELECTRICAL INSTALLATION	1,830,537	-	-	1,830,537	1,503,506	86,952	-	1,590,458	240,079	327,031
FURNITURE & FIXTURE	34,021,698	4,000	-	34,025,698	33,429,723	-	-	33,429,723	595,975	591,975
BIKES	70,000	28,835	-	98,835	22,009	6,648	-	28,657	70,178	47,991
PREMISES	23,171,560	319,900	-	23,491,460	6,535,647	381,652	-	6,917,299	16,574,161	16,635,913
MOTOR VEHICLE	225,000	-	-	225,000	106,875	21,376	-	128,251	96,749	118,125
TOTAL	117,039,699	491,783	-	117,531,482	98,921,888	607,784	-	99,529,672	18,001,810	18,117,811
PREVIOUS YEAR	117,039,699.00	-	-	117,039,699.00	98,318,061.00	603,827.43	-	98,921,888.43	18,117,810.57	18,721,638.00

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NOTES TO THE ACCOUNTS

	As At 31st March, 2014	As At 31st March, 2013
NOTE-6		
NON CURRENT INVESTMENTS		
OTHER INVESTMENTS:		
INVESTMENT IN EQUITY INSTRUMENTS		
QUOTED :		
EQUITY SHARES OF SOFTWARE TECHNOLOGY GROUP INTERNATIONAL LTD 1000000 Equity shares of Rs 10/- each (Pr. Year 1000000 Equity shares of Rs 10/- each)	7,000,000.00	7,000,000.00
UNQUOTED :		
EQUITY SHARES OF MEDICLOUD SOFTWARES LTD. (Pr. Year 16180 Equity shares of Rs 10/- each)	-	161,800.00
EQUITY SHARES OF TURBO BELL MOULDS PVT. LTD. (Pr. Year 7000 Equity shares of Rs 100/- each)	-	1,050,000.00
EQUITY SHARES OF MILI INVESTMENT & TRADERS PVT. LTD. 500 Equity shares of Rs 10/- each (Pr. Year 500 Equity shares of Rs 10/- each)	5,000.00	5,000.00
EQUITY SHARES OF PRURIENT IT SOLUTIONS PVT. LTD. 5000 Equity shares of Rs 10/- each (Pr. Year 5000 Equity shares of Rs 10/- each)	50,125.00	50,125.00
EQUITY SHARES OF SFS GLOBAL LTD. 3000 Equity shares of Rs 10/- each (Pr. Year 3000 Equity shares of Rs 10/- each)	1,500,000.00	1,500,000.00
EQUITY SHARES OF SOUTH COAST REALTY PVT. LTD. (Pr. Year 200 Equity shares of Rs 10/- each)	-	500,000.00
EQUITY SHARES OF TOP CLASS ENTERPRISES PVT. LTD. (Pr. Year 8930 Equity shares of Rs 10/- each)	-	22,378,390.00
EQUITY SHARES OF ALPS ENERGY PVT. LTD. 566700 Equity shares of Rs 10/- each (Pr. Yr 666700 Equity shares of Rs 10/- each)	85,255,020.00	100,255,020.00
EQUITY SHARES OF SNOWFLAKES MEDITECH PVT. LTD. 466700 Equity shares of Rs 10/- each	-	70,180,025.00
PREFERENCE SHARES OF UJJWAL LTD 150000 Preference Shares of Rs 100/- each (PY: 150000 Preference Shares Partly Paid Up) (ASSOCIATE COMPANY)	15,000,000.00	15,000,000.00
(Aggregate value of Quoted Shares Rs. 7000000/- PY: Rs.7000000/-)	108,810,145.00	218,080,360.00
(Market value of Quoted Investments Rs. 2220000 /- PY: Rs.2320000/-).		
(Aggregate amount of Unquoted Investments Rs. 101810145 /- PY:Rs.211080360/-)		
NOTE-7		
INVENTORIES		
(AS TAKEN VALUED & CERTIFIED BY THE MANAGEMENT)		
STOCK-IN-TRADE	39,286,119.00	40,692,392.00
	39,286,119.00	40,692,392.00



NOTES TO THE ACCOUNTS

	As At 31st March, 2014	As At 31st March, 2013
NOTE-8		
TRADE RECEIVABLES		
TRADE RECEIVABLES OUTSTANDING FOR A PERIOD LESS THAN SIX MONTHS FROM THE DATE THEY ARE DUE FOR PAYMENT		
- UNSECURED CONSIDERED GOOD		
TRADE RECEIVABLES OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS FROM THE DATE THEY ARE DUE FOR PAYMENT		
- UNSECURED CONSIDERED GOOD	246,928,312.00	246,931,062.00
	246,928,312.00	246,931,062.00
TRADE RECEIVABLES STATED ABOVE INCLUDES AMOUNTS DUE BY:		
-PRIVATE COMPANIES IN WHICH DIRECTOR IS A DIRECTOR	-	-
NOTE-9		
CASH & CASH EQUIVALENTS		
CASH IN HAND	246,831.55	67,712.55
BALANCE WITH BANKS:		
IN CURRENT ACCOUNT	1,466,903.04	727,517.46
	1,713,734.59	795,230.01
NOTE-10		
SHORT TERM LOANS & ADVANCES		
LOANS & ADVANCES TO RELATED PARTIES		
- UNSECURED CONSIDERED GOOD	86,104,285.00	24,774,000.00
OTHER SHORT TERM LOANS & ADVANCES		
- UNSECURED CONSIDERED GOOD	34,880,243.00	42,300,424.00
TAX DEDUCTED AT SOURCE	1,096,038.00	678,638.00
DEPOSITS	431,850.00	227,000.00
ADVANCE TO STAFF	95,000.00	-
	122,607,416.00	67,980,062.00
LOANS & ADVANCES STATED ABOVE INCLUDES AMOUNTS DUE BY:		
-PRIVATE COMPANIES IN WHICH DIRECTOR IS A DIRECTOR	86,104,285.00	24,774,000.00
NOTE-11		
REVENUE FROM OPERATIONS		
SALE OF BOOKS	741,000.00	197,047.00
SALE OF COURSE MATERIAL	810,000.00	220,920.00
	1,551,000.00	417,967.00
NOTE-12		
OTHER INCOME		
RENT	4,035,453.94	3,179,108.00
INTEREST	144,000.00	125,473.00
	4,179,453.94	3,304,581.00
NOTE-13		
CHANGE IN INVENTORIES		
OPENING STOCK	40,692,392.00	41,103,223.00
LESS : CLOSING STOCK	39,286,119.00	40,692,392.00
	1,406,273.00	410,831.00

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NOTES TO THE ACCOUNTS

	As At 31st March, 2014	As At 31st March, 2013
NOTE-14		
EMPLOYEE BENEFIT COSTS		
SALARY & ALLOWANCES	2,062,550.00	623,550.00
STAFF WELFARE	73,701.00	5,400.00
BONUS	30,000.00	-
	2,166,251.00	628,950.00
NOTE-15		
FINANCIAL COSTS		
BANK CHARGES	280.90	842.60
INTEREST ON SERVICE TAX	2,106.00	697.00
INTEREST ON TDS	720.00	-
	3,106.90	1,539.60
NOTE-16		
OTHER COSTS		
CONVEYANCE	46,575.00	2,886.00
ELECTRICITY EXPENSES	103,082.00	93,558.00
POSTAGE & COURIER	70,098.00	68,512.00
AGM EXPENSES	7,500.00	7,000.00
BROCKERAGE	150,000.00	-
CDSL	56,180.00	-
COMPUTER INSTALLATION	2,511.00	-
INVESTMENT WRITTEN OFF	161,800.00	-
PROFESSIONAL FEE	678,370.00	-
RENT PAID	91,500.00	-
RTA EXPENSES	721.00	-
SERVICE TAX	44,571.00	-
TOUR & TRAVELLING EXP.	219,682.00	-
WATER EXPENSES	2,580.00	-
LISTING FEES	67,416.00	67,416.00
LOSS ON SALE OF INVESTMENT	30,362,160.00	-
OFFICE EXPENSES	138,772.00	-
AUDITORS REMUNERATION	18,000.00	18,000.00
LEGAL & PROFESSIONAL CHARGES	104,460.00	52,750.00
MISCELLANEOUS EXPENSES	47,155.00	3,270.00
PRINTING & STATIONERY	66,716.00	1,360.00
PUBLISHING FEES	74,283.00	36,490.00
SHARE TRANSFER & CUSTODIAL CHARGES	-	56,180.00
REPAIR & MAINTAINENCE	761,309.00	230,811.00
PROPERTY TAX	41,100.00	-
INSURANCE CHARGES	11,841.00	1,330.00
FILING FEES	3,600.00	2,062.00
SHORT & EXCESS	123,039.00	-
TELEPHONE EXP.	28,128.46	7,828.00
	33,483,149.46	649,453.00

NOTE-17

 Significant Accounting Policies & Notes forming part of the accounts for the year ended on 31st March, 2014.

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial Statements
The financial statement has been prepared on historical cost convention and in accordance with normally accepted accounting principles and applicable accounting standards.
2. Revenue Recognition and other policies
 - a) The company follows mercantile system of accounting.
 - b) Revenue / Income and cost /expenses are generally accounted for on accrual basis as they are earned or incurred.
 - c) Income from Information Technology and Computer Education is accounted and credited to income in the period of invoices raised to the students.
 - d) Technical know-how fees from new franchisee centers are accounted for in the year in which agreement is entered into.
 - e) Franchisee centers operational expenses are accounted in proportion to the bills raised.
 - f) Sales of educational Course Materials are recognised on the basis of requisitions.
3. Fixed Assets
Fixed assets are stated at cost less depreciation. The cost of assets comprises of purchase price and any direct cost attributable to its acquisition or bringing the assets to working condition or intended use.
4. Depreciation
Depreciation is provided on straight-line method at the rate specified in Schedule - XIV of the Companies Act, 1956. In respect of additions to fixed assets, depreciation is being calculated on a pro-rata basis from the date of such addition.
Depreciation on fixed assets sold, discarded or demolished during the year is being provided at their respective rates upto the date on which such assets are sold, discarded or demolished.
5. Inventories
Closing stock of Educational Course material & Books is valued at cost of acquisition. The company is in information technology business and is holding stock of courseware material and computer hardware & software's and it is considered to realize at least the value at which they are stated in the books.
6. Investments
Investments are Non Current in nature and are stated at cost & any decline other than temporary in the value of such investments is charged to the profit & loss account.
7. Miscellaneous Expenditure
The Company does not have any miscellaneous expenditure.
8. Employee Benefits
Contributions to Provident Fund are accounted on actual liabilities basis. At present there is no employee in the company who has completed 5 years or more, so the requirements of Accounting Standard-15 are not applicable. According to the management, the compensation & benefits payable to employees who have left the service were settled at the time they have left.
9. Taxation
Provision for tax is made for both current and deferred taxes. Current tax is provided on the basis of taxable income computed in accordance with the provisions of Income Tax Act, 1961. Deferred tax Assets and liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognised using the tax rates and tax laws that have been enacted or substantively enacted.

B. NOTES ON ACCOUNTS

1. The balances of Trade Receivables, and Loans and Advances are subject to confirmation. The company is in the process of obtaining confirmation of balances in respect of these. Necessary adjustments, if any, shall be made on receipts/ payments and reconciliation of such balances.
2. Auditor's Remuneration

	Year ended 31.03.2014 (Rs.)	Year ended 31.03.2013 (Rs.)
Statutory Audit Fees	18000	18000
Tax Audit Fees	-	-
Certification		2250
	18000	20250

3. Segment Reporting
In accordance with Accounting Standard 17 on Segment Reporting, issued by The Institute of Chartered Accountants of India, the Company has only one reportable business segment. Hence segment reporting is not applicable to the company.
4. Disclosure regarding related parties as required under AS-18 on Related Party Disclosure
 - A. Related Party Relationship
 - A) Associates:
Pan India Corporation Ltd.
K.K.Kargomail (India) Pvt Ltd.

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- Vizwise Commerce Pvt. Ltd
Ujjwal Ltd
Prurient IT Solutions Pvt Ltd.
C) Key Management Personnel:
Omprakash Pathak
Ankit Rath

B. Related Party Transactions

	Opening Balance	Received	Paid	Closing Balance	Maximum Balance
Vizwise Commerce Pvt Ltd(Trade Recvbl)	Nil	1900000/-	85924285/-	84024285/-	84024285/-
Vizwise Commerce Pvt Ltd(Loan)	24774000/-	25174018/-	400018/-	Nil/-	24774000/-
Pan india corporation limited((Liabilities)	9125000	1600000.00	7562964.00	3162036.00	9125000/-

*Sale of Investment

5. Earnings per share

The basic and diluted earnings per share of the company are same because the company does not have any outstanding options, warrants, convertible debentures or any other instrument which may result in issue of equity shares at a price less than their fair market value.

The earnings per share given in Profit & Loss Account has been calculated as under:-

	Current Year	Previous Year
Before considering exceptional items:		
a) Net Profit/ (Loss) for the year attributable to Equity Shareholders	Rs. -32043650/-	Rs. 13109500.00
b) Weighted average number of equity Shares outstanding during the year	111875000	111875000
c) Basic and diluted earnings per share {Item (a) divided by Item (b)}	Rs. -.286	Rs. (0.012)
d) Nominal value of each share	Rs. 2/-	Rs. 2/-
After considering exceptional items:		
d) Net Profit/ (Loss) for the year attributable to Equity Shareholders	Rs. -32043650/-	Rs. 13109500.00
e) Weighted average number of equity Shares outstanding during the year	111875000	111875000
f) Basic and diluted earnings per share {Item (a) divided by Item (b)}	Rs. -0.286	Rs. 0.012
d) Nominal value of each share	Rs. 2/-	Rs. 2/-

6. Accounting for Taxes on Income

In accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India the Company has accounted for deferred tax during the year.

Deferred tax liability amounting to Rs. 107540/-, created during the year, has been debited to the Profit & Loss Account and net deferred tax liability of Rs. 3035862/- on account of depreciation difference has been shown in the balance sheet. .

Net Deferred tax asset on account of brought forward losses and disallowed expenditures has not been recognised as there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

8. Additional information pursuant to the provision of part II of Schedule VI to the Companies Act 1956:

Details of Sale & Purchase of Educational Course Material & books:

PARTICULARS	PURCHASES	SALES
COURSE MATERIAL	Nil	810000.00 (220920)
BOOKS	Nil	741000.00 (197047.00)
TOTAL	Nil	1551000.00 (417967.00)



	Current Year	Previous Year
Expenses in foreign currency	Nil	Nil
Earning of foreign currency (in Rs.)	Nil	Nil
C.I.F. Value of Imports	Nil	Nil

10. Contingent liabilities

- i) Claims made against the company not acknowledged as debt Nil (PY : Nil)
- ii) Capital Commitments Nil(PY:Nil)

11. The previous year figures have been regrouped/ reclassified wherever necessary to render them comparable.

Auditors' Report
As per our separate report of even date
Attached herewith

For and on behalf of the board

For **Soni Gualti & Company**
F.No - 8770
Chartered Accountants

Sd/-
Sanjeev Kumar
Partner
M.No 091901

Sd/-
Omprakash Pathak
(Wholetime Director)
(01428320)

Sd/-
Ankit Rathi
(Director)
(01379134)

Date: 27.05.2014
Place: New Delhi

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

	Amount(in Rs.)	
	For Year Ended 31.03.2014 Rupees	For Year Ended 31.03.2013 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) before Tax and Extraordinary Items	(31,936,110.42)	1,427,947.40
Adjustments:		
Depreciation	607,784.00	603,827.00
Investment written off	30,362,160.00	-
	161,800.00	-
Operating Profit before Working Capital Changes	(804,366.42)	2,031,774.40
<i>Working Capital Changes:</i>		
Decrease/ (increase) in Current Assets	1,409,023.00	36,456.00
Increase/ (decrease) in Current Liabilities	(21,313,270.00)	190,325,767.00
Cash Generated from Operations	(20,708,613.42)	192,393,997.40
	-	-
Net cash flow from/ (used in) operating activities	(20,708,613.42)	192,393,997.40
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Shares	90,768,655.00	-
Purchase of Investments	(14,023,200.00)	(191,838,435.00)
	-	-
Purchase of Fixed Assets	491,783.00	-
Net cash flow from/ (used in) investing activities	77,237,238.00	(191,838,435.00)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/ (decrease) in Unsecured Loans	2,000,000.00	-
Increase/ (decrease) in Secured Loans	-	-
Net cash flow from/ (used in) financing activities	2,000,000.00	-
i) Net increase/ (decrease) in cash and cash equivalents (A+B+C)	58,528,624.58	555,562.40
ii) Cash and cash equivalents as at 1st April		
(Opening Balance) Cash in Hand	67,712.55	172,493.55
Balance with Banks	727,517.46	67,174.06
	795,230.01	239,667.61
iii) Cash and cash equivalents as at 31st March		
(Closing Balance) Cash in Hand	246,831.55	67,712.55
Balance with Banks	1,466,903.04	727,517.46
	1,713,734.59	795,230.01
Net Increase/Decrease in Cash & Cash Equivalents	918,504.58	555,562.40

Auditors' Report

As per our report of even date attached

For: Soni Gulati & Company
Firm No. : 8770
Chartered Accountants

For and on behalf of Board

Sd/-
Sanjeev Kumar
Partner
M.No 091901

Sd/-
Omprakash Pathak
(Wholtime Director)
Din No. 01428320

Sd/-
Ankit Rathi
(Director)
Din No. 01379134

Date: 27.05.2014
Place: New Delhi

BITS LIMITED

Registered Address: 1111, 11th Floor, New Delhi House, 27, Barakhamba Road, New Delhi - 110001
CIN: L72200DL1992PLC241971FORM No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L72200DL1992PLC241971

Name of the Company: Bits Limited

Registered Address: 1111, 11th Floor,
New Delhi House, 27, Barakhamba Road, New Delhi - 110001

Name of the Members: Registered Address: E-mail id: Folio No. / Client Id: DP ID:
--

I/We, being the member holding shares of Bits Limited, hereby appoint

1. Name: Address
- E-mail id* *Signature:*....., or failing him
2. Name: Address
- E-mail id* *Signature:*....., or failing him
3. Name: Address
- E-mail id* *Signature:*....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company to be held on Tuesday, September 30, 2014 at 10:00 am at Plot No. 122, Mahalaxmi Vihar, Karawal Nagar, Delhi-110094 at any adjournment thereof in respect of such resolutions as are indicated below;

Res. No.	Resolution	Optional*	
		For	Against
Ordinary Business:			
1.	Adoption of Audited Financial Statement for the year ended 31st March, 2014		
2.	Re-appointment of Mr. Omprakash Ramashankar Pathak as a Director, who retires by rotation		
3.	Appointment of M/s Soni Gulati & Co., Chartered Accountants as Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and to fix their remuneration as may be decided by the Board		
Special Business:			
4.	Appointment of Mr. Harish Kumar Chauhan as an Independent Director for a period of five consecutive years w.e.f this Annual General Meeting up to 31st March, 2019		
5.	Appointment of Ms. Preeti Sharma as an Independent Director for a period of five consecutive years w.e.f this Annual General Meeting up to 31st March, 2019		
6.	Appointment of Mr. Omprakash Ramashankar Pathak as Whole-Time Director, for a period of 3 years with effect from 1st March, 2014 to 28th February, 2017		

Note: Notwithstanding the above, the Proxies can vote on such other items which may be tabled at the meeting by the members present.

Signed this day of2014.

Signature of shareholder.....

Signature of Proxy holder(s).....

Affix Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

BITS LIMITED

Registered Address: 1111, 11th Floor, New Delhi House, 27, Barakhamba Road, New Delhi - 110001
CIN: L72200DL1992PLC241971

ELECTRONIC VOTING PARTICULARS

EVEN	USER ID	PASSWORD	NO. OF SHARES

The e-voting facility will be available during the following voting period:

Commencement of E-Voting	24 th September, 2014 at 10.00 A.M
End of E-Voting	26 th September, 2014 at 4.00 P.M

ATTENDANCE SLIP

BITS LIMITED

Registered Address: 1111, 11th Floor, New Delhi House, 27, Barakhamba Road, New Delhi - 110001
CIN: L72200DL1992PLC241971

Regd. Folio No. / DP ID - Client ID
Name & Address of First/Sole Shareholder
No. of Shares held

I hereby record my presence at the 22nd Annual General Meeting of the Company to be held on Tuesday, the 30th day of September, 2014 at 10.00 a.m. at Plot No. 122, Mahalaxmi Nagar, Karawal Nagar, Delhi-110094.

Signature of Member/Proxy

Notes:

- a) Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting
 - b) Member / Proxy wish to attend the meeting must bring this attendance slip to the meeting and handover at the entrance duly filled in and signed
- The cut-off date (i.e. the record date) for the purpose of e-voting is 29th August, 2014.
 - Please refer to the attached AGM Notice for instructions on E-Voting.