

CORPORATE INFORMATION

Board of Directors:

Omprakash Ramashankar Pathak	Whole Time Director
Ankit Rathi	Chairman/ Non-Executive Director
Preeti Sharma	Independent/Non-Executive Director
Harish Kumar Chauhan	Independent/Non-Executive Director
Deepa Kumari	Chief Financial Officer

Registered Office:

1111, 11th Floor, New Delhi House, 27, Barakhamba Road, NewDelhi-110001
Tel: 011-43656567, **Fax:** 011-43656567 **Email:** bitsltd@gmail.com, **Web:** www.bits.net.in

Corporate 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.

Internal auditors

M/s R. MAHAJAN & ASSOCIATES
 Chartered Accountants

Registrar & Transfer Agents:

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

Bankers:

Yes Bank
 27, Netaji Subhash Marg, Daryaganj, New Delhi-110002

Dena Bank

Netaji Subhash Marg, Daryaganj, New Delhi-110002

DCB Bank

Office No. 3, Ground Floor, 'B' Wing, BRP Marg, Churchgate, Nariman Point, Mumbai, Maharashtra- 400021

CONTENTS	Page No.
Notice of Annual General Meeting	2-5
Directors' Report	6-9
Management Discussion & Analysis	8-9
Annexure to Director Report	10-20
Corporate Governance Report	21-28
Auditor's Report	29-30
Balance Sheet	31
Statement of Profit & Loss	32
Notes to Accounts	33-40
Cash Flow Statement	41
Proxy Form & Attendance Slip	42-43
Road Map	44



NOTICE

NOTICE is hereby given that the **23rd Annual General Meeting** of the members of **BITS LIMITED** will be held at Plot No. 122, Mahalaxmi Vihar, Karawal Nagar, Delhi-110094 on Wednesday, **30th September 2015 at 11.00 A.M.** (IST) 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, 2015 along with the Report's of the Directors and Auditors' thereon.
2. To appoint a Director in place of Mr. Ankit Rathi (DIN: 01379134) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint the existing auditor 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 of the next Annual General Meeting and to fix their remuneration and in this regard, to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to the recommendation of the audit committee of the Board of Directors, M/s Soni Gulati & Co., Chartered Accountants, be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, and the Board of Directors be and is hereby authorized to fix remuneration payable to them for the financial year ended 31st March, 2016 as may be recommended by the audit committee in consultation with the auditors."

SPECIAL BUSINESSES:

4. To consider adoption of newly substituted Articles of Association of the Company containing regulations in line with the Companies Act, 2013, and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the revised draft regulations contained in the Articles of Association submitted to this meeting and duly initialed by Whole Time Director be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;
RESOLVED FURTHER THAT the Board of Directors of the Company (including a Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors
For Bits Limited

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

Place: New Delhi
Date: 27.08.2015

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE 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 FORTY-EIGHT HOURS (48 HOURS) BEFORE THE SCHEDULED TIME FOR HOLDING THE AFORESAID MEETING.
A BLANK PROXY FORM IS ENCLOSED.**
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.
2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than three days of notice in writing is given to the company.
3. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
4. The Register of Contracts or Arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
5. The Annual Report 2014-15 is being sent through electronic mode only to those members whose email address are registered with the Company/Depository Participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their email address, physical copies of the annual report 2014-2015 are being sent by the permitted mode.
6. The Landmark for reaching venue of Annual General Meeting is Krishna Bharti Public School.
7. Route Map for easy location of Venue of Annual General Meeting is attached herewith the Notice of Annual General Meeting.
8. No gifts, gifts coupons, or cash in lieu of gifts is distributed in the Meeting.
9. The relevant explanatory statement pursuant to section 102 of the Companies Act, 2013 in respect of the Special Businesses as set out above is annexed hereto and form part of this notice.
10. A statement giving details of the Directors including those proposed to be appointed/re-appointed since last Annual General Meeting, as mandated under Clause 49 (VIII) (E) of Listing Agreement with the Stock Exchanges, is annexed hereto and forms part of the notice.
11. Members are requested to bring their attendance slip along with their copy of annual report to the meeting.
Note that copies of Annual Report will not be distributed at the Annual General Meeting.
12. Members/Proxies/authorised representative are requested to

ANNUAL REPORT 2014 - 2015

deposit the attendance slip duly filed in and signed for attending the Meeting. Members who hold shares in dematerialization form are requested to write their client ID and DP ID numbers for identification.

13. Members who have not registered their e-mail address so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
14. The Notice for the Annual General Meeting and the Annual Report 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
15. 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.
16. 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 (except Saturdays, Sundays and Public Holidays) between 11: 00 A.M. to 1: 00 P.M up to the date of this Annual General Meeting.
17. 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 de-mat account. Member holding shares in physical form can submit their PAN details to the Company at the Registered Office of the Company.
18. 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.
19. The Register of Members and Share Transfer Books shall remain closed from 24.09.2015 to 30.09.2015 (Both days inclusive).
20. Corporate members intending to send their authorized 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.
21. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) rules, 2014 and Clause 35B of the Listing Agreement, the company has provided a facility to the members to exercise their votes electronically through the electronic voting system facility arranged by National Securities Depository Limited (NSDL). The Facility for voting through ballot paper will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their vote again. The instruction for e-voting are annexed to the Notice.
22. Voting through electronic means:
 - i) According to Section 108 of Companies Act, 2013, read

with Rule 20 of Companies (Management and Administration) Rules, 2014 and clause 35B of the listing agreement e-voting is mandatory for all listed companies or companies having Shareholders not less than one thousand.

- ii) 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 its members facility to exercise their right to vote using an electronic voting system from a place other the venue of AGM ("remote e-voting") at the 23rd Annual General Meeting (AGM) and the business may be transacted through remote e-voting services provided by National Securities Depository Limited (NSDL). It is hereby clarified that it is not mandatory for a member to vote using the remote e-voting facility and a member may avail of the facility at his/her/its discretion. The instructions for remote e-voting are as under:

The e-voting facility is available at the link <http://www.evoting.nsdl.com>

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- 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
Form 9:00 a.m. (Indian Standard Time) on September 27, 2015	Up to 5:00 p.m. (Indian Standard Time) on September 29, 2015

The cut-off date for the purpose of sending this Notice is Friday, 21st August, 2015

During the e-voting period, all members of the Company holding shares in any form i.e. physical or dematerialized, as on cut-off date (record date) of 23.09.2015 may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Any person who acquired shares and became member after dispatch of Notice of 23rd Annual General Meeting and holds shares as of the Cut – off date of 23.09.2015 may obtain the login ID and Password for remote e-voting by sending a request at evoting@nsdl.co.in.

The voting rights of the shareholders shall be in proportion to their shares of the paid up equity share capital of the Company
Vote once cast by the member cannot be changed/ altered.

23. The procedure and instructions for e-voting as given in the Notice of the 23rd Annual General Meeting are reproduced hereunder for easy reference:

- i. In case of Members receiving e-mail from NSDL (For those members whose e- mail addresses are registered with Company/Depositories):
 - a. Open e-mail and open PDF file viz."Bits Limited" with your client ID or Folio No. as password containing your user ID and password for remote e- voting. Please note that the password is an initial password.
 - b. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
 - c. Click on Shareholder-Login.
 - d. Put user ID and password as initial password noted in

- step (i) above. Click Login.
- e. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - f. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - g. Select "EVEN" of "Bits Limited".
 - h. Now you are ready for remote e-voting as Cast Vote page opens.
 - i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - j. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - k. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - l. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to cspritikanagi@gmail.com with a copy marked to evoting@nsdl.co.in.
 - ll. In case of Members receiving Physical copy of Notice of 23rd Annual General Meeting (for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy)
 - a. Initial password is provided in the box overleaf.
 - b. Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.
- A. In case of any queries, you may refer the frequently asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
 - B. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - C. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
 - D. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
 - E. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
 - F. Pritika Nagi & Associates, Practicing Company Secretary (Membership No. ACS 29544 & CP No.11279), has been appointed as the Scrutinizer for scrutinize the voting and remote e-voting

- process in a fair and transparent manner.
- G. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
 - H. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman, who shall countersign the same and declare the result of the voting forthwith.
 - I. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.bits.net.in and on the website of NSDL immediately after the declaration of result by the Chairman and communicated to the BSE Limited.

Members holding shares in physical form are requested to intimate their e-mail address to M/s. Mas Services Limited either by mail on info@masserv.com or by sending a communication at the M/s. Mas Services Limited at 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 of the accompanying notice dated 27th August, 2015.

ITEM NO. 4

The existing Articles of Association ("Articles") of the Company are based on the Companies Act, 1956 and several regulations in the existing Articles contain reference to the Sections of the Companies Act, 1956.

With the enactment of the Companies Act, 2013, the reference to specific sections of the Companies Act, 1956 in the existing Articles are no longer in conformity with the provisions of the Companies Act, 2013 ("Act").

Due to which these regulations of the existing Articles of the Company require alteration and/or deletion. Given this position, it is considered expedient to wholly replace the existing Articles by a new set of regulations of Articles as per Companies Act, 2013.

The draft Article of Association will be tabled before the meeting and shall be open for inspection by the Members at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. to 1.00 p.m. up to the date of this Annual General Meeting.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the said Resolution.

The Board of Directors recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the Members.

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

At the ensuing Annual General Meeting, Mr. Ankit Rathi (DIN: 01379134) shall retire by rotation and being eligible offer himself for re-appointment

ANNUAL REPORT 2014 - 2015

1.	Name of Director	Mr. Ankit Rathi
	Date of Birth	03/04/1977
	Qualification	Graduate from Agra University
	Expertise in Specific Functional area	Has an experience of about thirteen years in Share Trading & Administration, Financial Management.
	Directorship held in Other Companies#	a) Ujjwal Limited b) Amorphos Industries Limited c) Pan India Corporation Limited d) Tactfull Investments Limited e) Prurient I.T. Solutions Private Limited f) SPG Finvest Private Limited g) Vizwise Commerce Private Limited h) Ujjwal Infrastructure Private Limited
	Membership/Chairmanship of the specified Committees* of the Board	Membership/ Chairmanship In Audit Committee a) Pan India Corporation Limited (Member) b) Ujjwal Limited (Member) Membership/ Chairmanship In Stakeholder Relationship Committee a) Bits Limited (Chairman) b) Pan India Corporation Limited (Member) c) Ujjwal Limited (Member)
	Date of Appointment	01/ 08/2011
	Shareholding in the Company`	Nil
	Relationship with other directors	He is not related /associated with any director of the Company.

*Excluding Membership/Chairmanship of Nomination & Remuneration Committee & Risk Management Committee

Other details as per Secretarial Standard 1

Particulars	
Name and Age of Director	Mr. Ankit Rathi, 38 Years
Brief Resume of Director (Qualification, Experience etc.)	Mr. Ankit Rathi is Graduate from Agra University. He has an experience of about thirteen years in Share Trading & Administration, Financial Management.
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid	Not Applicable
Last Drawn Remuneration, (if applicable)	Not Applicable
Date of first appointment on the Board	01/08/2011
No. of equity shares held	Nil
Relationship with other Directors, Manager and KMP	He is not related /associated with any director and KMP of the Company.
No. of Board Meeting attended during the year 2014-2015	7
Directorship held in other companies	a) Ujjwal Limited b) Amorphos Industries Limited c) Pan India Corporation Limited d) Tactfull Investments Limited e) Prurient I.T. Solutions Private Limited f) SPG Finvest Private Limited g) Vizwise Commerce Private Limited h) Ujjwal Infrastructure Private Limited
Membership/Chairmanship of the Committees across the Companies	Membership/ Chairmanship In Audit Committee a) Pan India Corporation Limited (Member) b) Ujjwal Limited (Member) Membership/ Chairmanship In Stakeholder Relationship Committee a) Bits Limited (Chairman) b) Pan India Corporation Limited (Member) c) Ujjwal Limited (Member)

**By Order of the Board of Directors
For Bits Limited
Sd/-**

**Omprakash Ramashankar Pathak
Whole Time Director
DIN No. – 01428320**

Date: 27.08.2015
Place: New Delhi



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 2014 - 2015

Dear Members,

Your Directors are pleased to present the 23rd Annual Report on the business and operations of the Company together with the Audited Financial Statement for the year ended 31st March, 2015.

CORPORATE OVERVIEW:

Bits Limited (Your Company) is engaged in the business 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.

FINANCIAL PERFORMANCE

SUMMARISED FINANCIAL HIGHLIGHTS

(Amount in Rs.)

Particulars	Current Year 31.03.2015	Previous Year 31.03.2014
Income from Operations	2251445	1551000
Other Income	8113769	4179453.94
Total Income	10365214	5730453.94
Total Expenditure	11703066.59	37666564.36
Profit/ (Loss) before tax	(1337852.59)	(31936110.42)
Less: Provision for Deferred Tax	3035862	107540
Net Profit/(Loss) after Tax	1698009.41	(32043650.42)

STATE OF COMPANY AFFAIRS

During the year, the sales of the company jumped to Rs. 2251445 as compared to Rs. 1551000 in the previous year registering a growth in the business of the company.

Nonetheless, your director's expect that the initiatives undertaken will result in improvement in financial results in the coming years.

Material Changes and Commitments after the date of close of Financial Year 2014 – 15

There is no material changes and commitment affecting the financial position of company after the close of financial year 2014-2015 till the date of report.

DETAILS OF SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATE COMPANIES AND THEIR FINANCIAL POSITION

There is no subsidiary and joint venture of the company and further there are no companies, which have become or ceased to be the subsidiary and joint venture of the company during the year.

However, M/s Prurient I.T Solutions Private Limited is our Associate Company as per Section 2(6) of the Companies Act, 2013. The summary of the performance and financial position of associate company is as follows:

SN	Name and address	CIN/GLN of the Company	Holding/Subsidiary/ Associate	%age of Shareholding
1	Prurient I.T. Solutions Private Limited Add:- 1111, 11th Floor, New Delhi House 27, Barakhamba Road, New Delhi - 110001	U72200DL2008PTC178613	Associate Company	50.00%

DIVIDEND AND RESERVES

During the year under review, your Company does not recommend any dividend. And also, your company has not made any transfer to Reserves during the financial year 2014 – 2015.

PARTICULARS OF LOANS, GAURANTEES OR INVESTMENTS BY COMPANY

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of Companies Act, 2013 are given in the notes to the Financial Statements as on 31.03.2015 and part of annual report.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has an effective internal control and risk mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures.

The internal audit is entrusted to M/s R. Mahajan & Associates, a firm of Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business practices.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements to strengthen the same. The Board of Directors has framed a policy which ensures the orderly and efficient conduct of its business, safeguarding of its assets, to provide greater assurance regarding prevention and detection of frauds and accuracy and completeness of the accounting records of the company.

During the year, no reportable weakness in the operations and accounting were observed and your company has adequate internal financial control with reference to its financial statements.

RELATED PARTY TRANSACTIONS

All the contracts/arrangements/transactions with related party in Form AOC-2 is attached as **Annexure A**. Further, there are no material related party transactions during the year under review

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company (http://www.bits.net.in/Bits%20Limited_RPT%20Policy.pdf)

RISK MANAGEMENT

The risk management framework defines the risk management approach of the Company and includes periodic review of such risks and also documentation, mitigating controls and reporting mechanism of all risks.

In this regard the Company has formulated a Risk Management Committee (which forms an integral part of Corporate Governance Report) which lays down the procedures to inform Board members about the risk assessment and minimization procedures. Risk Management Committee is responsible for framing, implementing and monitoring risk management plan for the Company.

Further, a Risk Management Policy has been adopted by the board of directors for the company, which defines the risk assessment and minimization procedures. . As per view of board, there is no risk in operation of company, which may impact the existence of company.

AUDITOR AND AUDITORS REPORT

STATUTORY AUDITORS

M/s Soni Gulati & Co., Chartered Accountants who are Statutory Auditors of the Company and who hold office up to the forthcoming Annual General Meeting are recommended by the audit committee and Board of Director for re-appointment to audit the Accounts of the Company for the Financial Year 2015-16 at remuneration as may be decided by the Board of Directors on the recommendation of the audit committee.

The Company has received a certificate from the auditors to the effect that their appointment, if made, would be within the limits prescribed under the of the Companies Act, 2013, and they are not disqualified for re-appointment, as per the provisions of Section 141 of the Companies Act, 2013.

The auditor's report and notes on accounts referred to in the Auditor's Report are self explanatory and there are no adverse remarks or qualification in the Report.

SECRETARIAL AUDIT

Pursuant to provisions of Section 204 of Companies Act, 2013 and rules made there under, the board has appointed M/s Pritika Nagi & Associates, Company Secretary in Practice to conduct the Secretarial Audit of the Company for the financial year 2014-2015. The Secretarial Audit Report for the financial year ended 31st March, 2015 is attached herewith as part of the Annual Report as **Annexure B** which forms an integral part of this report.

There is no secretarial audit qualification/adverse remarks, reservation for the year under review except as stated below:-

Secretarial Auditor remarks for financial statement ending 31.03.2015:

As per Section 203 of the Companies Act, 2013 read with rules made there under, Every Listed Company Shall have Whole Time Key Managerial personnel. Nonetheless, your company has not appointed Whole Time Company Secretary in the company.

Our reply to auditor remarks:

Your Board has acknowledged that the Whole Time Company Secretary is not appointed in the company, it is to be informed to the board that financial position of company is not very so appointment of whole time company secretary will be an addition burden on the financial position

of company, however the board is doing continuous effort to increase the revenue of company and will also ensure to appoint a whole time company secretary in near future.

FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

There are no such frauds reported by auditors, which are committed against the company by officers or employees of the company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

• Retirement by Rotation

In accordance with the provisions of Section 152 of Companies Act, 2013 Mr. Ankit Rathi, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

• Appointment & Re-appointment of Directors & Key Managerial Personnel

During the year under review, the members approved the appointments of Mr. Harish Kumar Chauhan and Ms. Preeti Sharma as Non-Executive Independent Directors of the Company who are not liable to retire by rotation.

The members also appointed Mr. Omprakash Ramashankar Pathak as Whole Time Director of the Company for a period of 3 years with effect from 1st March, 2014 to 28th February, 2017 and fixed the terms and condition of such appointment including remuneration.

During the year under review, the board has appointed Ms. Deepa Kumari as Chief Financial Officer of the Company in their duly convened Board Meeting held on 12th August, 2014.

All Independent Directors has given declarations to the company confirming that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

• Cessation of Directors

During the year Mr. Akhilesh Chandra Khare ceased from the Directorship of the Company w.e.f. 5th May, 2015.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of Companies Act, 2013, is included in this report as **Annexure C** and forms an integral part of this report.

NUMBER OF MEETINGS OF THE BOARD

The Board duly met at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The notice along with Agenda of each Board Meeting was given in writing to each Director.

In the Financial Year 2014-15, the Board met seven (7) times. The meetings were held on 27/05/2014, 12/08/2014, 06/09/2014, 30/09/2014, 14/11/2014, 14/02/2015 and 25/03/2015. The interval between two meetings was well within the maximum period mentioned under Section 173 of Companies Act, 2013 and Clause 49 of the Listing Agreement

AUDIT COMMITTEE

The present Audit Committee of the board comprises of three Directors with independent directors forming a majority, namely, Mr. Harish Kumar Chauhan, Non-Executive Independent Director is the Chairman of the Committee and Ms. Preeti Sharma, Non-Executive Independent Directors and Mr. Omprakash Ramashankar Pathak, Executive Promoter Directors are members of the Committee.

All the recommendations made by the Audit Committee were accepted by the Board.

Further, the roles & responsibility and other related matters of Audit

Committee forms an integral part of Corporate Governance Report a part of Annual Report.

NOMINATION AND REMUNERATION COMMITTEE

The present Nomination and Remuneration Committee of the Board comprises of three Non Executive Directors, namely, Mr. Harish Kumar Chauhan, Non-Executive Independent Director is the Chairman of the Committee and Ms. Preeti Sharma, Non-Executive Independent Directors and Mr. Ankit Rathi, Non-Executive Directors are members of the Committee.

All the recommendations made by the Nomination and Remuneration Committee were accepted by the Board.

Further, the terms of reference and other related matters of Nomination and Remuneration Committee forms an integral part of Corporate Governance Report as part of Annual Report.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Board comprises of two members, namely, Mr. Ankit Rathi, Non-Executive Director, Chairman of the Committee. The other member of Stakeholders Relationship Committee includes Mr. Harish Kumar Chauhan, Non-Executive Independent Director.

Further, the roles & responsibility and other related matters of Stakeholders Relationship Committee forms an integral part of Corporate Governance Report a part of Annual Report.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee of the Board comprises of two members, namely, Mr. Omprakash Ramashankar Pathak, Whole Time Director, is the Chairman of the committee. The other member of Risk Management Committee includes Mr. Ankit Rathi, Non-Executive, Director.

Further, the roles and responsibility and other related matters of Risk Management Committee forms an integral part of Corporate Governance Report a part of Annual Report.

POLICIES AND DISCLOSURES

VIGIL MECHANISM

The Vigil Mechanism/Whistle Blower Policy of the company provides that protected disclosures can be made by a whistle blower through an email to the Chairman of Audit Committee. The Whistle Blower Policy can be accessed on the Company's website i.e. http://www.bits.net.in/Bits%20Limited_whistle%20blower%20policy.pdf.

REMUNERATION AND NOMINATION POLICY

The nomination and remuneration committee has recommended to the Board:

- a) A policy which lays down a framework in relation to remuneration of Director, Key Managerial Personnel and Senior Management of the Company. The details of this policy are attached herewith as **Annexure D** in this report.
- b) Further, Policy for selection criteria of Directors and Senior management and criteria for determining qualifications, positive attributes and director independence is also attached as **Annexure E** to this report.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 of Companies Act, 2013 and rules made there under, every company having net worth of Rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board. However, it is not applicable in case of your Company. Hence there is no need to form Corporate Social Responsibility Committee and Corporate Social Responsibility Policy for the company as per the requirement of the Companies Act, 2013.

BOARD EVALUATION

Clause 49 of the Listing Agreement mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013, states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The evaluation of all the directors and the Board as a whole and that of its committee was conducted based on the criteria and framework adopted by the Board. Board has engaged Nomination and Remuneration Committee for carrying out the evaluation and their finding were shared with the board that had discussed and analyze its performance during the year. The Board approved the evaluation results as collated by the nomination and remuneration committee.

FAMILIARIZATION PROGRAMME AND TRAINING OF INDEPENDENT DIRECTORS

The details of programmes for familiarization of Independent Directors with the Company, their roles and responsibilities of the company, business model of the Company and other related matters are put on the website of the Company at the following link: i.e. http://www.bits.net.in/familirisation_policy.pdf

To familiarize the new inductees as independent director with the strategy, operations and functions of our company, the executive directors make presentations to the inductees about the Company's organization structure, finance, human resources, facilities and risk management.

Further, at the time of appointment of an independent director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a director. The format of the letter of appointment is available on our website <http://www.bits.net.in/>

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 Auditor's regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is attached as **Annexure F** of the Director's Report.

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 G** of the Director's Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there is no employee in the company, which draws the remuneration in excess of the limits set out in the said rules.

Disclosures pertaining to remuneration and other details of directors & KMP as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are enclosed as **Annexure H**.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND

RESEARCH & 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 Section 134 (3) (m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 are given hereunder:

Conservation of Energy-

- i) Steps taken or impact on conservation of energy: Energy conservation efforts are ongoing activities. During the year under review further efforts were made to ensure optimum utilization of electricity.
- ii) Steps taken by the company for utilizing alternate sources of energy: Nil, as your company does not carry any manufacturing activities
- iii) The Capital investment on energy conservation equipments: Nil

Technology Absorption, Adaption & Innovation and Research & Development

No research & development or technical absorption or adaption & innovation taken place in the company during the Financial Year 2014 – 2015, the details as per rule 8(3) of The companies (Accounts) Rules 2014 are as follows:

- i) Efforts made towards technology absorption: - Nil
- ii) Benefits derived like product improvement, cost reduction, product development or import substitution: Nil
- iii) in case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year)-
 - a) Details of technology imported: Nil
 - b) Year of Import: Nil
 - c) Whether the technology been fully absorbed: Nil
 - d) Areas where absorption has not taken place, and the reasons thereof: Nil

iv) Expenditure incurred on Research and Development: Nil

Foreign Exchange Earnings and 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

To the best of our knowledge and belief and according to the information and explanations obtained by them, your Directors confirmed the following statement in terms of Section 134(3) (c) of the Companies Act, 2013:

- 1) That in preparation of Annual Accounts for the year ended March, 31st, 2015; the applicable accounting standards have been followed and there are no material departures from the same;
- 2) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company as at March, 31st, 2015 and of the profit and loss of the Company for the year ended on that date;
- 3) That the Directors have taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) The directors have prepared the annual accounts on a going concern basis;
- 5) That the directors had laid down internal financial controls to be

followed by the Company and that such internal financial controls are adequate and were operating effectively;

- 6) That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

LISTING OF SECURITIES

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

GENERAL

Your Director states that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:-

- a) Details relating to deposits covered under Chapter V of the Act.
- b) Issue of the equity shares with differential rights as to dividend, voting or otherwise.
- c) Issue of shares (including sweat equity shares) to directors or employees of the Company.
- d) Issue of Employee Stock Option Scheme to employees of the company.
- e) As there is no subsidiary or holding company of your company, so Whole Time Director of the company does not receive any remuneration or commission from any of such companies.
- f) No significant or material orders were passed by the regulators or courts or tribunals, which impact the going concern status and Company's operations in future.
- g) Purchase of or subscription for shares in the company by the employees of the company.
- h) There is no subsidiary of company, so no policy on material subsidiary is required to be adopted.

Your Directors further state that:-

- a) The Company has zero tolerance for sexual harassment and during the year under review, there were no complaint received and no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- b) And there is no change in the nature of business of company during the year.

INDUSTRIAL AND HUMAN RELATIONS

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

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 the Board of Directors
For Bits Limited

Date: 27.08.2015
Place: New Delhi

Sd/-	Sd/-
O.P.Pathak	Ankit Rathni
(Whole Time Director)	(Director)
DIN No.-01428320	DIN No.-01379134



Annexure A to Director's Report

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

There were no contracts or arrangements or transactions entered into during the year ended March 31,2015 which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis.

The Details of material contracts or arrangements or transactions at Arm's length basis for the year ended March 31, 2015 are as follows:

Name of related party & Nature of Contracts/ arrangements/ transactions	Nature of relationship	Duration of contract	Salient terms	Date of approval by the Board	Amount paid as advances, if any	Amount as on 31.03.2015
Nil	Nil	Nil	Nil	Nil	Nil	Nil

By Order of the Board of Directors
For Bits Limited

Date:27.08.2015
Place: New Delhi

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

Sd/-
Ankit Rathi
Director
DIN No. - 01379134

Annexure B to Director's Report

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED AS ON MARCH, 31ST 2015

{Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To,
The Members
Bits Limited
1111, 11th Floor,
New Delhi House,
27, Barakhamba Road,
New Delhi-110001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bits Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended as on March, 31st 2015 complied with the statutory provisions listed hereunder and

also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained Bits Limited by the Company for the period ended on 31st March, 2015 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;- Not Applicable
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009:- Not Applicable
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999:- Not Applicable

ANNUAL REPORT 2014 - 2015

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008:- Not Applicable
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client:- Not Applicable
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009:- Not Applicable
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998:- Not Applicable

I have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India- Not Applicable
- ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, and Listing Agreements etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. *Appointment of company secretary is mandatory for company but there is no such appointment so it is advisable to board to appoint the company secretary.* The changes in the composition of the Board of Directors that took place during the period under review were carried out

in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there are no specific events/ actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For Pritika Nagi & Associates
Pritika Nagi

Sd/-

Practicing Company Secretaries

Membership No. 29544

C.P. No. 11279

Place : New Delhi

Date : 27.08.2015

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2015**

i. REGISTRATION & OTHER DETAILS:

I. REGISTRATION & OTHER DETAILS:

1	CIN	L72200DL1992PLC241971
2	Registration	Date 27/11/1992
3	Name of the Company	Bits Limited
4	Category/Sub-category of the Company	Listed Public Company, Indian Non-Government Company
5	Address of the Registered office & contact details	1111, 11th Floor, New Delhi House 27, Barakhamba Road, New Delhi-110001
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Mas Services Limited T-34, II nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 Phone No. 011-26387281

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Sale of Books	47611	57.16
2	Sale of Course Material	85307	42.84

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Prurient I.T. Solutions Private Limited Add:- 1111, 11th Floor, New Delhi House 27, Barakhamba Road, New Delhi - 110001	U72200DL2008PTC178613	Associate Company	50.00%	Section 2(6) of Companies Act, 2013

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
g) Individual/ HUF	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
j) Bodies Corp.	72,461,460	0	72,461,460	64.77%	72,547,186	252,000	72,799,186	65.07%	0.30%
k) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
l) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	72,461,460	-	72,461,460	64.77%	72,547,186	252,000	72,799,186	65.07%	0.30%
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Banks/FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL SHAREHOLDING OF PROMOTER (A) = (A)(1) + (A)(2)	72,461,460	-	72,461,460	64.77%	72,547,186	252,000	72,799,186	65.07%	0.30%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	30,500	30,500	0.03%	-	30,500	30,500	0.03%	0.00%
b) Banks / FI	-	47,000	47,000	0.04%	-	47,000	47,000	0.04%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total(B)(1)-	-	77,500	77,500	0.07%	-	77,500	77,500	0.07%	0.00%
2. Non-Institutions									
a) Bodies Corp.	1203521	467600	1671121	1.49%	1112502	215600	1328102	1.19%	0.31%
i) Indian									
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	22,604,969	8,394,200	30,999,169	27.71%	22,343,767	8,362,700	30,706,467	27.45%	0.26%

ANNUAL REPORT 2014 - 2015

ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	5,037,755	70,500	5,108,255	4.57%	5529887	70500	5,600,387	5.01%	0.44%
c) Others (specify)									
Non Resident Indians/OCB	281,334	877,500	1,158,834	1.04%	281,124	877500	1,158,624	1.04%	0.00%
Clearing Members	398,661	-	398,661	0.36%	204734	-	204,734	0.18%	0.17%
Trusts				0.00%			-	0.00%	0.00%
Sub-total (B)(2):-	29,526,240	9,809,800	39,336,040	35.16%	29,472,014	9,526,300	38,998,314	34.85%	0.31%
Total Public Shareholding (B) = (B)(1) + (B)(2)	29,526,240	9,887,300	39,413,540	35.23%	29,472,014	9,603,800	39,075,814	34.92%	0.31%
C. Shares held by									
Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)	101,987,700	9,887,300	111,875,000	100.00%	102,019,200	9,855,800	111,875,000	100.00%	0.61%

(ii) Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares	% of Shares of the company	No. of Shares Pledged/ encumbered to total shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Vizwise Commerce Private Limited	72,461,460	64.77%	0	72,799,186	65.07%	0	0.30%
2					0			0
	Total	72,461,460	64.77%	0	72,799,186	65.07%	0	0.30%

(iii) Change in Promoters' Shareholding

SN	Particulars	Date	Reasons for increase/decrease	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1st April, 2014		72,461,460	64.77%	72,799,186	64.77%
	Changes during the year	25th March, 2015	Transfer	337,726	0.30%	337,726	0.30%
	At the end of the year	31st March, 2015		72,799,186	65.07%	72,799,186	65.07%

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Date	Reasons for increase/decrease	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mahavir G Chopra						
	At the beginning of the year			84,420	0.08%	84,420	0.00%
	Changes during the year			Nil			0.00%
	At the end of the year			84,420	0.08%	84,420	0.00%
2	Laxmipat Dudheria						
	At the beginning of the year			330,383	0.29%	330,383	0.00%
	Changes during the year			Nil			0.00%

	At the end of the year			330,383	0.29%	330,383	0.00%
3	Sameer Vasant Godbole						
	At the beginning of the year			239,395	0.21%	239,395	0.00%
	Changes during the year			Nil			0.00%
	At the end of the year			239,395	0.21%	239,395	0.00%
4	MANISH AGARWAL						
	At the beginning of the year			210,500	0.19%	210,500	0.00%
	Changes during the year			Nil			0.00%
	At the end of the year			210,500	0.19%	210,500	0.00%
5	URMILA DEVI SEKSARIA						
	At the beginning of the year			197,379	0.18%	197,379	0.00%
	Changes during the year			Nil	0.00%		
	At the end of the year			197,379	0.18%	197,379	0.00%
6	ANITA ANIL BANSAL						
	At the beginning of the year			173,107	0.15%	173,107	0.00%
	Changes during the year			Nil			0.00%
	At the end of the year			173,107	0.15%	173,107	0.00%
7	SANDEEP MUSADDY						
	At the beginning of the year			130,000	0.11%	130,000	0.00%
	Changes during the year			Nil			0.00%
	At the end of the year			130,000	0.11%	130,000	0.00%
8	SHYAM BEHARI						
	At the beginning of the year			130,000	0.11%	130,000	0.00%
	Changes during the year			Nil			0.00%
	At the end of the year			130,000	0.11%	130,000	0.00%
9	VIMAL VADILAL SHAH						
	At the beginning of the year			128,500	0.11%	128,500	0.00%
	Changes during the year			Nil	0.00%		
	At the end of the year			128,500	0.11%	128,500	0.00%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reasons for increase/decrease	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Name						
	At the beginning of the year				0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%		0.00%
2	Name				0.00%		
	At the beginning of the year				0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%		0.00%

ANNUAL REPORT 2014 - 2015

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				-
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	NIL			-
* Reduction				-
Net Change		-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount				-
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
	Name Designation	Mr. Omprakash Ramashankar Pathak Whole Time Director		
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,00,000		5,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify			-
	Total (A)	5,00,000	-	5,00,000
	Ceiling as per the Act	42 lakhs as per Section II of Part II of Schedule V of the Companies Act, 2013		

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors		Total Amount (Rs/Lac)
3	Independent Directors	Mr. Harish Kumar Chauhan	Ms. Preeti Sharma	
	Fee for attending board committee meetings	1,00,000	75000	1,75,000
	Commission			-
	Others, please specify			-
	Total (1)	1,00,000	75000	1,75,000
4	Other Non-Executive Directors			-
	Fee for attending board committee meetings			-
	Commission			-
	Others, please specify			-
	Total (2)	-	-	-
	Total (B)=(1+2)	-	-	1,75,000
	Total Managerial Remuneration			
	Overall Ceiling as per the Act			

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN.	Particulars of Remuneration Name	Name of Key Managerial Personnel Deepa Kumari			Total Amount (Rs/Lac)
		CEO	CFO	CS	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		138,000.00		138,000.00
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of profit - others, specify				
5	Others, please specify				
	Total	-	138,000.00	-	138,000.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY Penalty Punishment Compounding			NIL		
B. DIRECTORS Penalty Punishment Compounding			NIL		
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding			NIL		

Annexure D to Director's Report

INTRODUCTION

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and Senior Management of the Company and to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the listing agreement as amended from time to time this policy on remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

SCOPE

The policy contains a description of the core principles of the company's remuneration policy with respect to executive and non-executive Board members, KMP and other senior management. It follows the principles of maximum transparency and disclosure regarding remuneration, which the company has been applying to its public reporting documents.

The terms of this policy shall not be binding on employment agreement entered prior to this date. This Policy is based upon following principals as drawn by nomination and remuneration committee of company:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks
- The remuneration of directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals

APPLICABLE

This Policy is applicable on Directors, Key Managerial Personnel (KMP) and Senior Management and of the Company

Fundamental principles of the policy

The fundamental Principals of this policy are mentioned below, which are the core factors while determining the remuneration of Director, KMP and senior management:

- Industry Practice and Bench marks;
- Long-term value creation.
- Reward achievement of results on the basis of prudent practice, responsibility and risk taking abilities.
- Attract and retain the best professionals.
- Reward the experience and professional track record.
- Ensure equity within the Group and competitiveness outside it.
- Optimum mix of fixed and variable salary;
- Reward in the form of stock options
- Ensure transparency in its remuneration policy

TERMS OF THE POLICY

A. Terms for Executive Directors, KMP and senior management of company

i. Fixed Salary

Managerial Person, KMP and Senior Management are eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical

expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

ii. Minimum Remuneration

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government

iii. Provisions for excess remuneration

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government

B. Terms for Non Executive/ Independent Directors of company

i. Remuneration / Commission

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force

ii. Sitting Fees

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

Further, the Sitting fees payable to independent directors shall not be less than the sitting fee payable to other directors.

iii. Limit of Remuneration/Commission

Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013

iv. Stock Option

An Independent Director shall not be entitled to any stock option of the Company.

Disclosures

Disclosure in respect to the remuneration of the Company's Board of Directors will be disclose annually in the Corporate Governance Report part of the Annual Report.

The Policy shall be disclosed in the Board Report of the company.

POLICY REVIEW

This policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and requirements of Clause 49 of the Listing Agreement.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulation which makes any of the provisions in this policy inconsistent with the Act or regulations, the provisions of the Act or regulation would prevail over the policy, and provisions in the policy would be modified in due course to make it consistent with the law.

This policy shall be reviewed by the Nomination and Remuneration Committee as and when changes need to be incorporated in the

policy due to changes in regulations or as may be felt appropriate by the Committee. Any change or modification in the policy as recommended by the Committee would be given for approval to the Board.

Annexure E

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTOR'S INDEPENDENCE for bits limited

This Policy will be applicable to the Company with the approval of Nomination and Remuneration Committee and Board of Directors. This Policy is in line with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Scope

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company

POSITIVE ATTRIBUTES

The Nominating and Remuneration Committee of the company works with the Board to determine the appropriate characteristics, skills, and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience. Characteristics expected of all directors candidate include independence, integrity, high personal and professional ethics, sound business judgment, and the ability and willingness to commit sufficient time to the Board to discharge the duties of Board membership and exercise his responsibilities in a bona-fide manner in the interest of the company. The director candidate should be able to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.

Qualification & Criteria:

The Nomination and Remuneration Committee has not established specific minimum age, education, years of business experience or specific types of skills for evaluating the suitability of individual Board member, but, in general, expects a candidate to have extensive experience and proven record of professional success, leadership and the highest level of personal and professional ethics, integrity and values and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the company's business.

The proposed appointee shall also fulfill the following requirements:

- 1) Shall possess a Director Identification Number;
- 2) Shall not be disqualified under the Companies Act, 2013;
- 3) Shall give his written consent to act as a Director;
- 4) Shall endeavor to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- 5) Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
- 6) Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made; Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity Listing Agreements and other relevant laws.

Criteria of Independence

The criteria of independence, as laid down in Companies Act, 2013 and Clause 49 of the Equity Listing Agreement, is as below:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director—

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
 - b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
 - (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
 - c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
 - d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
 - e. **who, neither himself nor any of his relatives—**
 - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
 - (iii) holds together with his relatives two per cent or more of the total voting power of the company; or
 - (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
 - (v) is a material supplier, service provider or customer or a lessor or lessee of the company.
 - f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
 - g. shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
 - h. who is not less than 21 years of age.
- The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

Appointment

The appointment of an Independent Director shall be approved by the Company in general meeting as provided in sub-section (2) of section 152 of the Act and the explanatory statement annexed to the notice of the general meeting called to consider the said appointment shall indicate

the justification for choosing the appointee for appointment as Independent Director.

INDEPENDENCE STANDARDS

The candidate shall be evaluated based on the criteria provided under the applicable laws including Companies Act, 2013 read with Rules thereon and the Listing Agreement with the Stock Exchanges. In addition to applying these guidelines, the Board will consider all relevant facts and circumstances in making its determination relative to a director's independence.

Independence Review Procedures

1. Annual Review

The director's independence for the independent director will be determined by the Board on an annual basis upon the declarations made by such Directors as per the Companies Act, 2013 read with rules thereon and the listing agreement.

2. Notice of change of Independent Status

Each director has an affirmative obligation to inform the Board of any change in circumstances that put his or her independence at issue.

Amendment

Any amendment to the above criteria for appointment of directors shall be subject to the prior approval of the Board of Directors.

Disclosure

The Company will disclose the details about this policy in its Board's Report.

Annexure-F 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 for the year ended 31.03.2015 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 has been 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.

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 has been compiled by the Company in all material respect.

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

Sd/-
Sanjeev Kumar
(Partner)
M. No. 91901

Place: New Delhi
Date: 27.08.2015

Annexure – G to the Directors' Report MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The financial statements are prepared in compliance with the requirements of the Companies Act, 2013. 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.

Industrial Structure & Developments

Changing economic and business conditions, rapid technology innovation and adoption and globalization is 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.

Opportunities and threat, Outlook & Area of Concern

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 year.

Risk Management & Concerns

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.

The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures.

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.

INTERNAL CONTROL SYSTEM AND 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 internal audit is entrusted to M/s R. Mahajan & Associates, a firm of Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business practices.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements to strengthen the same. The Board of Directors has framed a policy which ensures the orderly and efficient conduct of its business, safeguarding of its assets, to provide greater assurance regarding prevention and detection of frauds and accuracy and



completeness of the accounting records of the company.
Further your company has adequate internal financial control with reference to its financial statements

FINANCIAL REVIEW AND ANALYSIS

The financial performance of the Company for the financial year ended March 31, 2015 is given as under:-

PERFORMANCE	Year ended 31-03-2015
Revenue	10365214
Expenditure	11703066.59
Profit/ (Loss) before tax	(1337852.59)
Provision for Tax	3035862
Profit/(Loss) for the year	1698009.41

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 the Board of Directors
For Bits Limited

Date: 27.08.2015	Sd/- Omprakash Ramashankar Pathak (Whole Time Director) DIN No. - 01428320	Sd/- Ankit Rathi (Director) DIN No. - 01379134
Place: New Delhi		

Annexure H to Director's Report

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Name of Director/KMP and designation	Remuneration Of Director/ KMP or financial year 2014-15	Ratio of remuneration of each Director/KMP to median remuneration of employees	% increase in Remuneration of each director CFO,CEO, C.S or Manager
Omprakash Ramashankar Pathak (Whole Time Director)	5,00,000	3.6:1	10%
Deepa Kumari (Chief Financial Officer)	1,38,000	1:1	10%

- The Percentage increase in the median remuneration of employees of Bits Limited is 10%. This has been arrived at, by comparing the median remuneration of employees as on 31st March, 2014 with the median remuneration of employees as on 31st March, 2015
- There were 2 permanent employees on the rolls of Company as on March 31, 2015;
- Relationship between average increase in remuneration and company performance:-
The increase in company revenue for the financial year 14-15 over 13-14 was 40% (approx.) and the average increase given to employees was 10%. The average increase in remuneration is not based on company's performance alone but also taken into consideration overall budgetary impact within the company. The 10% increase, which was given in FY 2014-2015 was at similar levels as the rest of the industry.
- Comparison of the Remuneration of the Key Managerial Personnel(s) against the performance of the Company: The Remuneration payable to Key Managerial Personnel is directly linked to individual performance as well as that of the business. The remuneration payable to KMP was based on the recommendation of the nomination and remuneration committee to revise the remuneration as per

industry benchmarks.

- The Market capitalization as on March 31, 2015 was Rs. 2.57 Crore as compared to Rs. 2.7 Crore as on March 31, 2014. The price earnings ratio of the company was 15.33 as on March 31, 2015 and was (0.87) as on March 31, 2014. The closing share price of the company at Bombay Stock Exchange of India Limited on March 31, 2015 being Rs. 0.20/- per equity share of face value Rs. 10 each has decreased in comparison to the closing share price of the company as on March 31, 2014. (Closing price as on 31st March, 2014 was 0.22).
- The average increase made in the salaries of employees and managerial personnel in the financial year was 10%. The average increase is an outcome of company's market competitiveness as against its peer group companies. The Remuneration payable to Managerial Personnel is directly linked to individual performance as well as that of the business. The remuneration payable to managerial personal was based on the recommendation of the nomination and remuneration committee to revise the remuneration as per industry benchmarks.
- Comparison of each remuneration of the key managerial personnel against the performance of the Company:

	Omprakash Ramashankar Pathak (Whole Time Director)	Deepa Kumari (Chief Financial Officer)
Remuneration in FY15	5,00,000	1,38,000
Revenue	10365214	
Remuneration as % of Revenue	4.82%	1.33%

- The key parameters for the variable component of remuneration: - There are no variable components of remuneration which are availed by the directors.
- The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable.
- It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy of the company.

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2015.

1. COMPANY'S PHILOSOPHY

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.

GOVERNANCE STRUCTURE

The Corporate Governance structure of the Company is as follows:

- a) Board of Directors: The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company.
- b) Committees of the Board: The Board has constituted the following Committees i.e. Audit Committee, Nomination & Remuneration Committee, Stakeholder's Relationship Committee & Risk Management Committee. Each of the Committee has been mandated to operate within a given framework.

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

2. BOARD OF DIRECTORS:

Size & Composition of the Board

As on 31st March, 2015, the Board of the Company consists of 4 directors out of which 2 are Independent Directors, and the Chairman of the Board is Non-Executive Director.

The details of each member of the Board along with the number of Directorship/Chairmanship/Committee Membership are as given below:

Name	Category	Designation	No. of Board Meetings Held during the year 2014 – 2015	No. of Board Meetings Attended during the year 2014-2015	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 Non-Executive Director	Chairman Promoter/	Director	7	7	8	Yes	4	1
Mr. Omprakash Ramashankar Pathak	Promoter/ Executive Director	Whole-Time Director	7	7	8	Yes	1	1
Mr. Harish Kumar Chauhan	Independent/ Non- Executive	Director	7	7	4	Yes	2	4
Mrs. Preeti Sharma	Independent/ Non- Executive	Director	7	5	3	Yes	3	0
*Mr. Akhilesh Chandra Khare	Non – Executive	Director	7	0	0	No	0	0

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

% Excluding membership and chairmanship of committees of all private limited companies, foreign Companies and Companies under section 8 of the Companies Act, 2013.

@ Committee position only of the Audit Committee and Stakeholder's Relationship Committee in Public Companies (whether listed or not) have been considered.

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

None of independent directors serving more than 7 listed companies and Whole Time Director of company is also not acting as independent director in more than 3 listed companies.

Independent Directors

The Non-Executive Independent Directors fulfill the conditions of Independence as specified in Section 149(6) of Companies Act, 2013 and rules made there under and meet with the requirements of Clause 49 of Listing Agreement entered into with the Stock Exchanges.

A formal letter of appointment was issued to the Independent Directors of the Company in the manner as provided under Companies Act, 2013 and disclosed on the website of the Company (<http://www.bits.net.in/docs.html>).



Further, the details regarding programmes for familiarization of Independent Directors with the company, their roles and responsibilities in the company, business model of the company and other related matters are put on the website of the Company at the link i.e. http://www.bits.net.in/familirisation_policy.pdf which is also explained in the Director's Report.

Details of Board Meetings

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The notice of each Board Meeting is given in writing to each Director. The Agenda along with the relevant notes and other material information are sent in advance separately to each director.

During the Financial Year 2014-2015 (7) Seven Board Meetings were held i.e. 27/05/2014, 12/08/2014, 06/09/2014, 30/09/2014, 14/11/2014, 14/02/2015 and 25/03/2015. The intervening period between two meetings was well within the maximum period mentioned under Section 173 of Companies Act, 2013 and Listing Agreement.

COMMITTEES OF THE BOARD

The Board of Directors has constituted the board Committees to deal with specific areas and activities which concern the Company and need a closer view.

The Board has currently the following Committees:

(3) AUDIT COMMITTEE

The board has reconstituted the audit committee in accordance with the Companies Act, 2013 and Clause 49 of the Listing Agreement to exercise powers and discharge functions as stipulated therein.

The composition, quorum, powers, role and scope are in accordance with Section 177 of Companies Act, 2013 and Clause 49 of Listing Agreement. The Audit Committee of the Board comprises three members out of which two are Non executive Independent Directors and one is Executive Director, namely Mr. Harish Kumar Chauhan, Non-Executive/Independent Director, is the Chairman of the committee. The other members of Audit Committee include Ms. Preeti Sharma, Non-Executive/Independent Director, and Mr. Omprakash Pathak, Executive Director. All the members of the committee are well versed in finance matters, accounts and general business practice.

Meetings:

The Audit Committee met 5 times during the year on 27/05/2014, 12/08/2014, 06/09/2014, 14/11/2014 & 14/02/2015. 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. Harish Kumar Chauhan	Chairman	5	5
ii)	Ms. Preeti Sharma	Member	5	3
iii)	Mr. Omprakash Ramashankar Pathak	Member	5	5

Terms of Reference:

POWER OF AUDIT COMMITTEE

The Audit Committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

ROLE OF AUDIT COMMITTEE

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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

ANNUAL REPORT 2014 - 2015

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 and 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

RELATED PARTY TRANSACTION

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company (http://www.bits.net.in/Bits%20Limited_RPT%20Policy.pdf). The same has been referred in Directors Report also .

(4) Nomination & Remuneration Committee

The board has reconstituted the Nomination and Remuneration committee in accordance with the Companies Act, 2013 and Clause 49 of the Listing Agreement and also redefine their terms of reference in compliance with the provisions of Companies Act, 2013 and Listing Agreement

COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE:

The composition, quorum, powers, role and scope are in accordance with Section 178 of Companies Act, 2013 and Clause 49 of Listing Agreement. The Nomination & Remuneration Committee of the Board comprises three members namely Mr. Harish Kumar Chauhan, Non-Executive, Independent Director, is the Chairman of the committee. The other member of Nomination & Remuneration Committee includes Ms. Preeti Sharma, Non-Executive, Independent Director and Mr. Ankit Rathi, Non-Executive Director.

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

MEETINGS OF NOMINATION AND REMUNERATION COMMITTEE:

During the Financial Year 2014- 2015 the Committee met 3 times i.e. on 10/05/2014, 12/08/2014 and 06/09/2014. The attendance of Members at the Meeting was as follows:

S.No.	Name	Status	No. of meetings during the year	No. of Meetings Attended
i)	Mr. Harish Kumar Chauhan	Chairman	3	2
ii)	Ms. Preeti Sharma	Member	3	1
iii)	Mr. Ankit Rathi	Member	3	3

TERMS OF REFERENCE

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.

REMUNERATION POLICY

The Remuneration Policy of the Company for Directors, Key Managerial Personnel and Senior Management is annexed as annexure D to the Director's Report. The Company's remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in accordance with the existing industry practice.

Further, the evaluation of all the directors and the Board as a whole and that of its committee was conducted based on the criteria and framework adopted by the Board, which was explained in the Director's Report.



Remuneration paid to the Directors during the financial year 2014-2015:

Name of the Director	Salary	Perquisites and allowances	Retiral benefits	Bonuses	Performance Linked Incentive	Total	Stock Options granted
Mr. Omprakash Ramashankar Pathak	4,80,000 Per Annum	Nil	Nil	20,000	Nil	5,00,000	NIL

The tenure of the office of the Whole Time Director is for 3 years i.e. from 1st March, 2014 to 28th February, 2017 and tenure of Independent Director is for 5 years from the date of conclusion of 22nd Annual General Meeting i.e. 30th September, 2014 and can be terminated by either party by giving one month advance notice in writing. There is no separate provision for payment of severance fees.

Further, there was no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the company and Non-Executive Directors does not hold any shareholding in the Company.

(5) STAKEHOLDERS RELATIONSHIP COMMITTEE

The board has constituted the Stakeholders Relationship committee in accordance with the Companies Act, 2013 and Clause 49 of the Listing Agreement and also redefine their terms of reference in compliance with the provisions of Companies Act, 2013 and Listing Agreement

COMPOSITION OF STAKEHOLDERS RELATIONSHIP COMMITTEE:

The composition, quorum, powers, role and scope are in accordance with Section 178 of Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Stakeholders Relationship Committee of the Board comprises of two members. Mr. Ankit Rathi, Non-Executive, Promoter Director, is the Chairman of the committee. The other member of Stakeholders Relationship Committee includes Mr. Harish Kumar Chauhan, Non Executive Independent Director.

The composition of Stakeholders Relationship Committee is as follows:

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

MEETINGS OF STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Committee met 4 times during the year on 27/05/2014, 12/08/2014, 06/09/2014 and 14/02/2015. The attendance of Members at the Meeting 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. Harish Kumar Chauhan	Member	4	4

The stakeholder relationship committee is entrusted with responsibility to resolve the grievances of the Security holders of the Company. The Committee monitors and reviews the performance and service standards of the Registrar and Transfer Agents of the Company i.e. Mas Services Limited and provides continuous guidance to improve the service levels for investors. The Committee received and redresses the complaints of the shareholders in respect of matters pertaining to transfer of shares, non-receipt of declared dividend, non-receipt of Annual Report, dematerialization of shares, etc.

Investor Greivance Redressal

The number of complaints received and resolved to the satisfaction of investors during the year under review are as follows:

	Received	Resolved	Balance
Complaints	Nil	Nil	Nil

As on March, 31st, 2015 no complaints were outstanding.

Compliance officer

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

● INDEPENDENT DIRECTOR'S MEETING

During the year under review, the Independent Directors met on 13th February, 2015, inter alia, to discuss:

- Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole.
- Evaluation of performance of the Chairman of the Company, taking into account the views of Executive & Non-Executive Directors.
- Evaluation of quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

(6) RISK MANAGEMENT COMMITTEE

The board has constituted the Risk Management committee in accordance with the Clause 49 of the Listing Agreement and also define their terms of reference in compliance with the provisions of Companies Act, 2013 and Listing Agreement

ANNUAL REPORT 2014 - 2015

COMPOSITION OF RISK MANAGEMENT COMMITTEE:

The composition, quorum, powers, role and scope are in accordance with Clause 49 of Listing Agreement.

The Risk Management Committee of the Board comprises of two members. Mr. Omprakash Ramashankar Pathak, Whole Time Director, is the Chairman of the committee. The other member of Risk Management Committee includes Mr. Ankit Rathi, Non-Executive, Promoter Director.

The present composition of Risk Management Committee is as follows:

Name	Designation
Mr. Omprakash Ramashankar Pathak	Chairman
Mr. Ankit Rathi	Member

MEETINGS OF RISK MANAGEMENT COMMITTEE:

During the Financial Year 2014- 2015 the Committee met on 13th February, 2015. The attendance of Members at the Meeting was as follows:

S.No.	Name	Status	No. of meetings during the year	No. of Meetings Attended
i)	Mr. Omprakash Ramashankar Pathak	Chairman	1	1
ii)	Mr. Ankit Rathi	Member	1	1

The risk management framework defines the risk management approach of the Company and includes periodic review of such risks and also documentation, mitigating controls and reporting mechanism of all risks.

The Risk Management Committee lays down the procedures to inform Board members about the risk assessment and minimization procedures. Risk Management Committee is also responsible for monitoring and reviewing risk management plan of the Company.

6. General Body Meetings

Details about Annual General Meetings held in last three years

For the Year	Venue	Day, Date & Time	Special Resolution *
2011-2012	Registered Office i.e 4/18, II nd Floor, Asaf Ali Road, New Delhi – 110002	Saturday, 29 th September, 2012 at 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, II nd Floor, Asaf Ali Road, New Delhi – 110002	Monday, 30 th September, 2013 at 10:00 A.M.	No Special Resolution Passed
2013 – 2014	Plot No. 122, Mahalaxmi Vihar, Karawal Nagar, Delhi- 110094	Tuesday, 30 th September, 2014 at 10.00 A.M.	Appointment of Shri Omprakash Ramashankar Pathak (DIN: 01428320) as Whole Time Director of the Company, for a period of 3 (three) years. (***)

No resolution was passed through Postal Ballot during the period under review.

** Special Resolution was passed through show of hands in Financial Year 2011-2012.

*** Special Resolution was passed through E-Voting & physical voting i.e. by ballot form at Annual General Meeting.

7. Disclosures

1. Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large.

During the period under review, the company had not entered into any material transaction with any of its related party. None of the transactions with any of the related parties were in conflict with the company's interest. All the related party transactions are on arm's length basis and are intended to further the company's interest.

2. Details of non-compliance by the company, penalties and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

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 and affirmation that no personnel have been denied access to the audit committee.

Pursuant to Section 177(9) and (10) of Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has a Whistle Blower Policy for Directors & employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and directors who use such mechanism and makes provision for direct access to the Chairperson of Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.

4. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause

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.

General

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 (IX) of the listing agreement was placed before the Board, who took the same on record

1. Profile and other information regarding the Directors being appointed/re-appointed as required under clause 49 (VIII) (E) of the Listing Agreement have been given in the Notice of the Annual General Meeting annexed to this Annual Report.
2. 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.
3. 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.
4. Declarations by the Whole Time Director under clause 49(II) (E) (2) of the Listing Agreement

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, 2015, which is attached with the report.

5. The company has complied with all the Accounting Standards applicable to the company.
6. The company has not come out with any Public Issue / Preferential Issue in the Financial Year 2014-2015.
7. Certificate from the Auditor regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is attached as **Annexure F** of the Director's Report.

8. Means of Communication

Quarterly Results

Millenium Post (English Daily) and Samachar Jagat (Hindi Daily) For Quarter ended 30.06.2014

Millenium Post (English Daily) and Samachar Jagat (Hindi Daily) For Quarter ended 30.09.2014

Millenium Post (English Daily) and Samachar Jagat (Hindi Daily) For Quarter ended 31.12.2014

Millenium Post (English Daily) and Samachar Jagat (Hindi Daily) For Quarter ended 31.03.2015

Financial Results also displayed on the website of the company i.e. www.bits.net.in.

As a matter of policy, the company will display the official news release at its website, whenever applicable. There were no instances during the year, which requires the company to make any presentation before institutional investor or to the analyst.

9. SHAREHOLDERS' GENERAL INFORMATION

(1) Annual General Meeting

Day, Date and Time: Wednesday, 30th September, 2015 at 11:00 a.m.

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

(2) Financial Calendar (Tentative) for the Financial Year 2015 - 2016

Tentative calendar of events for the financial year 2015 - 2016 (April to March) is as under:

Adoption of Quarterly Financial Results for:

First Quarter – by mid of August, 2015 Third Quarter-by mid of February, 2016

Second Quarter-by mid of November, 2015 Fourth Quarter- by mid/end of May, 2016

(3) Book Closure

The Register of Members and Share Transfer Register will remain closed from 24.09.2015 to 30.09.2015 on account of Annual General Meeting.

(4) Dividend Payment Date

No dividend has been recommended for the year ended 31st March, 2015.

(5) Listing at Stock Exchanges

Sr. No.	Name of Stock Exchange	Stock Code
1.	The Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001	526709

Listing Fee for the year 2014 -15 has been paid to Bombay Stock Exchange.

(6) Stock Code — ISIN – INE839A01021

Market Price Data: High Low for the period April 2014 to March 2015

Month	High (Rs.)	Low (Rs.)
April 2014	0.32	0.22
May 2014	0.46	0.33
June 2014	0.54	0.45
July 2014	0.52	0.33
August 2014	0.33	0.23
September 2014	0.25	0.22
October 2014	0.24	0.22
November 2014	0.25	0.21
December 2014	0.24	0.15
January 2015	0.19	0.16
February 2015	0.21	0.16
March 2015	0.23	0.20

Source: BSE Portal

8. Registrar & Share Transfer Agents:

Pursuant to the SEBI directive, the Company has appointed M/s Mas Services Limited as Share Transfer Agent for maintaining all the work related to share registry in terms of both physical and electronic form. Shareholders can communicate with them for lodgment of transfer deeds and their queries at the following address:

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

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 Mas Services Limited at the above address in order to enable the Registrar and transfer agent to process the transfer. The 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. The company obtains from a Company Secretary in Practice half yearly Certificate of Compliance with the share transfer formalities as required under Clause 47(c) of Listing Agreement and files a copy of the said certificate with Stock Exchange.

Shareholding Pattern as on 31st March, 2015

Category	No. of Shares held	% of Shareholding
A. PROMOTERS		
Promoter and Promoter Group	72799186	65.072
B. PUBLIC		
Bodies Corporate	1328102	1.187
Individuals holding nominal share capital upto 1 lac	30706467	27.447
Individuals holding nominal share capital in excess of 1 lac	5600387	5.006
Financial Institutions/Banks	47000	0.042
Mutual Funds/UTI	30500	0.027
Non –Resident Indian/OCB	1158624	1.036
Clearing Member	204734	0.183
Total	111875000	100

11. Distribution of Shareholding as on 31st March, 2015

Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1-5000	14018	83.640%	11993229	10.720%
5001-10000	1494	8.914%	6222623	5.562%
10001-20000	726	4.332%	5903523	5.277%
20001-30000	241	1.438%	3038832	2.716%
30001-40000	94	0.561%	1742628	1.558%
40001-50000	51	0.304%	1209826	1.081%
50001-100000	81	0.483%	2916791	2.607%
100001 & above	55	0.328	78847548	70.478%
Total	16746	100	111875000	100



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 31.03.2015, 10146241 Equity Shares were held in demat form in CDSL and 91872959 shares were held in demat form in NSDL.

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.

14. Plant Location

The Company does not have any manufacturing activity.

15. Address for correspondence:

Bits Limited (Regd. Office)

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

Corporate Office

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

To
The Members of Bits Limited

DECLARATION BY THE WHOLE TIME DIRECTOR PURSUANT TO CLAUSE 49 (II) (E) (2)) OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT.

In accordance with Clause 49 sub-clause II (E)(2) 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, 2015.

By Order of the Board of Directors
For Bits Limited

Date: 27.08.2015
Place: New Delhi

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

WHOLE TIME DIRECTOR CERTIFICATION

I, Omprakash 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 and 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; if any
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; if any and
 - iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the Management or an Employee having a significant role in the Company's internal control system over financial reporting.

By Order of the Board of Directors
For Bits Limited

Date: 27.08.2015
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 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the

Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes

evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2015, and its profit/loss and its cash flows for the year ended on that date.

Subject To :

- (i) Investment in shares quoted on regional stock exchange/ Unquoted Shares does not have readily market value.
- (ii) Loans & advances are subject to confirmation.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2015("the Order),issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give the Annexure a statement on the matters specified in paragraphs 3 and 4 of the order
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company does not have any pending litigation which have impact on its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For Soni Gulati & Co.
FRN No. :8770
Chartered Accountants

Place: New Delhi
Date: 29.05.2015

Sd/-
Sanjeev Kumar
[Partner]
M.No.-091901

ANNEXURE TO THE AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of Our Report of even date to the members of BITS LIMITED. on the accounts of the company for the year ended 31st March, 2015.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. The Company does not have any fixed assets. Therefore provisions of the clause are not applicable to the company.
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 is reasonable.
b. The procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
c. As informed to us, the company has maintained proper records of inventory. No material discrepancies were noticed on such verification.
3. The Company has not granted any loans to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013
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 for the purchase of inventory, fixed assets and also for the sale of goods & services. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. The company has not accepted any deposits during the year from the public within the meaning of the provisions of Section 73 to 76 or any other relevant provision of the Companies Act, 2013 and rules made there under. Hence, the clause (v) of the order is not applicable.
6. We have been informed that the Central government has not prescribed maintenance of cost records under section 148 (l) of the Companies Act, 2013.
7. a. According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues to the extent applicable have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2015 for a period of more than six months from the date of becoming payable.
b. According to the information and explanation given to us,

there are no dues of Sales Tax, , Duty of Customs, Duty of Excise, Value Added Tax, Cess which have not been deposited on account of any dispute.

- c. There is no amount which is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
8. The accumulated losses of the Company are not more than 50% of its net worth. The Company has incurred cash loss during the financial year 2014-15 and in the immediately preceding financial year.
9. Based on our audit procedures and on the basis of information's and explanations given by the management, the Company has not taken any loans from any financial institution, bank or debenture holders, so there is no question of default in repayment;
10. As explained by the management, company has not given guarantee for loans taken by other from banks or financial institutions.
11. According to the information and explanations given to us, the Company has not taken any term loan. Accordingly, the provisions of clause are not applicable to the Company.
12. As explained to us, no fraud on or by the Company has been noticed or reported during the year. Accordingly, provisions of clause are not applicable to the Company.

For Soni Gulati & Co.
FRN No. :8770
Chartered Accountants

Place: New Delhi
Date: 29.05.2015

Sd/-
Sanjeev Kumar
[Partner]
M.No.-091901

ANNUAL REPORT 2014 - 2015

CIN - L72200DL1992PLC241971
BALANCE SHEET AS AT 31ST. MARCH, 2015

Particulars	Note	AS AT 31st, MARCH 2015	AS AT 31st, MARCH 2014
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	139,626,198.00	137,928,188.59
(2) NON CURRENT LIABILITIES			
(a) DEFERRED TAX LIABILITY(NET)		-	3,035,862.00
(3) CURRENT LIABILITIES			
(a) OTHER CURRENT LIABILITIES	3	164,315,151.00	172,633,486.00
TOTAL		527,691,349.00	537,347,536.59
II. ASSETS			
(1) NON CURRENT ASSETS			
(a) FIXED ASSETS			
(i) TANGIBLE FIXED ASSETS	4	1,094,760.00	18,001,810.00
(b) NON CURRENT INVESTMENTS	5	125,097,122.00	108,810,145.00
(2) CURRENT ASSETS			
(a) INVENTORIES	6	37,252,591.00	39,286,119.00
(b) TRADE RECEIVABLES	7	246,928,312.00	246,928,312.00
(c) CASH AND CASH EQUIVALENTS	8	609,489.00	1,713,734.59
(d) SHORT TERM LOANS AND ADVANCES	9	116,709,075.00	122,607,416.00
TOTAL		527,691,349.00	537,347,536.59

SIGNIFICANT ACCOUNTING POLICIES & ADDITIONAL INFORMATION 16

THE NOTE NOS 1 TO 16 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 - 01428320

Sd/-
(ANKIT RATHI)
DIRECTOR
DIN - 01379134

PLACE : NEW DELHI
DATE : 29.05.2015

Sd/-
Deepa Kumari
CFO



CIN - L72200DL1992PLC241971

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2015

S.No	PARTICULARS	Note	For The Year Ended 31st March,2015	For The Year Ended 31st March,2014
I.	REVENUE FROM OPERATIONS	10	2,251,445.00	1,551,000.00
II.	OTHER INCOME	11	8,113,769.00	4,179,453.94
III.	TOTAL REVENUE		10,365,214.00	5,730,453.94
IV.	EXPENSES:			
	CHANGE IN INVENTORIES	12	2,033,528.00	1,406,273.00
	EMPLOYEE BENEFIT EXPENSES	13	907,951.00	2,166,251.00
	FINANCE COSTS	14	8,756.07	3,106.90
	DEPRECIATION		687,171.00	607,784.00
	OTHER EXPENSES	15	8,065,660.52	33,483,149.46
	TOTAL EXPENSES		11,703,066.59	37,666,564.36
V.	PROFIT BEFORE TAX(III-IV)		(1,337,852.59)	(31,936,110.42)
VI.	TAX EXPENSE			
	(1)CURRENT TAX		-	-
	(2)DEFERRED TAX	3,035,862.00	107,540.00	
VII.	PROFIT(LOSS) FOR THE PERIOD(V-VI)		1,698,009.41	(32,043,650.42)
VIII.	EARNINGS PER EQUITY SHARE			
	(1)BASIC		0.015	-0.286
	(2)DILUTED		0.015	-0.286

SIGNIFICANT ACCOUNTING POLICIES & ADDITIONAL INFORMATION 16
THE NOTE NOS 1 TO 16 ARE INTEGRATED PART OF FINANCIAL STATEMENTS

IN TERMS OF OUR AUDIT REPORT
OF EVEN DATE ATTACHED

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

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Sd/-
(SANJEEV KUMAR)
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PLACE : NEW DELHI
DATE : 29.05.2015

Sd/-
Deepa Kumari
CFO

ANNUAL REPORT 2014 - 2015

CIN - L72200DL1992PLC241971
NOTES TO THE ACCOUNTS

	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014		
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 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	31.03.2015 NO. OF SHARES	31.03.2014 NO. OF SHARES	AS AT 31.03.2015 PERCENTAGE	AS AT 31.03.2014 PERCENTAGE
VIZWISE COMMERCE PRIVATE LIMITED	72799186	72461460	65.07%	64.77%
SHARE RECONCILIATION STATEMENT			AS AT 31.03.2015	AS AT 31.03.2014
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			(111,821,811.41)	(79,778,160.99)
ADD: PROFIT/(LOSS) OF CURRENT YEAR			1,698,009.41	(32,043,650.42)
CLOSING BALANCE			(110,123,802.00)	(111,821,811.41)
			139,626,198.00	137,928,188.59
NOTE - 3				
OTHER CURRENT LIABILITIES				
OTHER LIABILITIES			164,293,151.00	172,615,486.00
AUDIT FEES PAYABLE			22,000.00	18,000.00
			164,315,151.00	172,633,486.00

NOTE-4
TANGIBLE FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As On 01/04/2014	Addition	Deduction	As On 31/03/2015	Up To 31/03/2014	For the Year	Depreciation Adjustment	Up To 31/03/2015	As On 31/03/2015	As On 31/03/2014
AIRCONDITIONER	2,340,132	-	-	2,340,132	2,080,555	142,571	-	2,223,126	117,006	259,577
COMPUTER & ACCESSORIES	55,519,820	9,200	55,351,377	17,643	55,354,729	73,940	55,351,377	77,292	100,351	165,091
ELECTRICAL INSTALLATION	1,830,537	-	-	1,830,537	1,590,458	148,562	-	1,739,010	91,527	240,079
FURNITURE & FIXTURE	34,025,698	-	-	34,025,698	33,429,723	-	-	33,429,723	595,975	595,975
BIKES	98,835	57,898	-	156,733	28,657	13,549	-	42,206	114,527	70,178
PREMISES	23,491,460	-	23,491,460	-	6,917,299	287,184	7,204,483	-	-	16,574,161
MOTOR VEHICLE	225,000	-	-	225,000	128,251	21,375	-	149,626	75,374	96,749
TOTAL	117,531,482	67,098	78,842,837	38,755,743	99,529,672	687,171	62,555,860	37,660,983	1,094,760	18,001,810
PREVIOUS YEAR	117,039,699.00	491,783	-	117,531,482.00	98,921,888.00	607,784.00	-	99,529,672.00	18,001,810.00	18,117,811.00

Note

1. Depreciation has been calculated on the basis of useful life of the assets as specified in schedule II of the companies act 2013. The useful life of furniture has already expired. No depreciation has been charged during the year.
2. The management has decided that premises which was part of the fixed assets till date be considered as investments in property.

ANNUAL REPORT 2014 - 2015

CIN - L72200DL1992PLC241971
NOTES TO THE ACCOUNTS

	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
NOTE-5		
NON CURRENT INVESTMENTS		
OTHER INVESTMENTS:		
INVESTMENT IN EQUITY INSTRUMENTS		
QUOTED :		
EQUITY SHARES OF STG LIFECARELTD (FORMERLY 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 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 ALPS ENERGY PVT. LTD. 566700 Equity shares of Rs 10/- each (Pr. Yr 566700 Equity shares of Rs 10/- each)	85,255,020.00	85,255,020.00
PREFERENCE SHARES OF UJJWAL LTD 150000 Preference Shares of Rs 100/- each (PY: 150000 Preference Shares Partly Paid Up) (ASSOCIATE COMPANY) (Aggregate value of Quoted Shares Rs. 7000000/- PY: Rs.7000000/-) (Market value of Quoted Investments Rs. 1198000 /- PY: Rs.2220000/-). (Aggregate amount of Unquoted Investments Rs. 101810145 /- PY:Rs.101810145/-)	15,000,000.00	15,000,000.00
INVESTMENT IN PROPERTY PREMISES	16,286,977.00	-
	108,810,145.00	108,810,145.00
NOTE-6		
INVENTORIES		
(AS TAKEN VALUED & CERTIFIED BY THE MANAGEMENT)		
STOCK-IN-TRADE	37,252,591.00	39,286,119.00
	37,252,591.00	39,286,119.00
NOTE-7		
TRADE RECIEVABLES		
TRADE RECIEVABLES OUTSTANDING FOR A PERIOD LESS THAN SIX MONTHS FROM THE DATE THEY ARE DUE FOR PAYMENT		
- UNSECURED CONSIDERED GOOD		
TRADE RECIEVABLES OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS FROM THE DATE THEY ARE DUE FOR PAYMENT		
- UNSECURED CONSIDERED GOOD		
	246,928,312.00	246,928,312.00
	246,928,312.00	246,928,312.00
TRADE RECIEVABLES STATED ABOVE INCLUDES AMOUNTS DUE BY:		
-PRIVATE COMPANIES IN WHICH DIRECTOR IS A DIRECTOR		



CIN - L72200DL1992PLC241971
NOTES TO THE ACCOUNTS

	AS AT 31ST MARCH,2015	AS AT 31ST MARCH,2014
NOTE-8		
CASH & CASH EQUIVALENTS		
CASH IN HAND	24,977.00	246,831.55
BALANCE WITH BANKS: IN CURRENT ACCOUNT	584,512.00	1,466,903.04
	609,489.00	1,713,734.59
NOTE-9		
SHORT TERM LOANS & ADVANCES		
LOANS & ADVANCES TO RELATED PARTIES - UNSECURED CONSIDERED GOOD	82,044,285.00	86,104,285.00
OTHER SHORT TERM LOANS & ADVANCES - UNSECURED CONSIDERED GOOD	32,619,585.00	34,880,243.00
TAX DEDUCTED AT SOURCE	1,496,355.00	1,096,038.00
DEPOSITS	498,850.00	431,850.00
ADVANCE TO STAFF	50,000.00	95,000.00
	116,709,075.00	122,607,416.00
LOANS & ADVANCES STATED ABOVE INCLUDES AMOUNTS DUE BY: -PRIVATE COMPANIES IN WHICH DIRECTOR IS A DIRECTOR	82,044,285.00	86,104,285.00
NOTE-10		
REVENUE FROM OPERATIONS		
SALE OF BOOKS	1,286,870.00	741,000.00
SALE OF COURSE MATERIAL	964,575.00	810,000.00
	2,251,445.00	1,551,000.00
NOTE-11		
OTHER INCOME		
RENT	7,994,457.00	4,035,453.94
INTEREST ON INCOME TAX REFUND	23,312.00	144,000.00
INTEREST ON LOAN	96,000.00	-
	8,113,769.00	4,179,453.94
NOTE-12		
CHANGE IN INVENTORIES		
OPENING STOCK	39,286,119.00	40,692,392.00
LESS : CLOSING STOCK	37,252,591.00	39,286,119.00
	2,033,528.00	1,406,273.00
NOTE-13		
EMPLOYEE BENEFIT COSTS		
SALARY & ALLOWANCES	371,000.00	1,877,550.00
DIRECTOR SALARY	480,000.00	185,000.00
STAFF WELFARE	28,451.00	73,701.00
BONUS	28,500.00	30,000.00
	907,951.00	2,166,251.00
NOTE-14		
FINANCIAL COSTS		
BANK CHARGES	4,897.07	280.90
INTEREST ON SERVICE TAX	-	2,106.00
INTEREST ON TDS	3,859.00	720.00
	8,756.07	3,106.90

ANNUAL REPORT 2014 - 2015

CIN - L72200DL1992PLC241971
NOTES TO THE ACCOUNTS

	AS AT 31ST MARCH,2015	AS AT 31ST MARCH,2014
NOTE-15		
OTHER COSTS		
CONVEYANCE	48,869.00	46,575.00
ELECTRICITY EXPENSES	179,556.85	103,082.00
POSTAGE & COURIER	51,544.00	70,098.00
AGM EXPENSES	5,300.00	7,500.00
BROCKERAGE	170,000.00	150,000.00
CDSL	56,180.00	56,180.00
COMPUTER INSTALLATION	1,200.00	2,511.00
INVESTMENT WRITTEN OFF	-	161,800.00
PROFESSIONAL FEE	1,868,464.00	678,370.00
RENT PAID	1,136,880.85	91,500.00
RTA EXPENSES	1,240.00	721.00
SERVICE TAX	59,328.00	44,571.00
TOUR & TRAVELLING EXP.	181,568.00	219,682.00
WATER EXPENSES	9,620.00	2,580.00
LISTING FEES	112,360.00	67,416.00
LOSS ON SALE OF INVESTMENT	-	30,362,160.00
OFFICE EXPENSES	30,723.00	138,772.00
AUDITORS REMUNERATION	22,000.00	18,000.00
LEGAL & PROFESSIONAL CHARGES	315,965.00	104,460.00
MISCELLANEOUS EXPENSES	42,463.00	47,155.00
PRINTING & STATIONERY	79,780.00	66,716.00
PUBLISHING FEES	37,027.00	74,283.00
FRIEGHT & CARTAGE	1,100.00	-
REPAIR & MAINTAINENCE	636,716.00	761,309.00
PROPERTY TAX	2,788,429.00	41,100.00
INSURANCE CHARGES	646.00	11,841.00
FILING FEES	10,980.00	3,600.00
SHORT & EXCESS	2,064.00	123,039.00
TELEPHONE EXP	33,256.82	28,128.46
EDP EXP.	7,400.00	-
SITING FEES	175,000.00	-
	<u>8,065,660.52</u>	<u>33,483,149.46</u>

NOTE-16

 Significant Accounting Policies & Additional Information forming part of the accounts for the year ended on 31st March, 2015.

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 charged on a pro-rata basis on the Straight Line Method as per the rates and in the manner prescribed under the Schedule II to the Companies Act, 2013.
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. ADDITIONAL INFORMATION

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. (a) Auditor's Remuneration	Year ended 31.03.2015 (Rs.)	Year ended 31.03.2014 (Rs.)
Statutory Audit Fees	22000	18000
Certification	2250	1500
	24250	19500
2. (b) Director's Remuneration	500000/-	197500/-
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.		
Vizwise Commerce Pvt. Ltd		

ANNUAL REPORT 2014 - 2015

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

B. Related Party Transactions

	Opening Balance	Received	Paid	Closing Balance	Maximum Balance
Vizwise Commerce Pvt Ltd(Trade Recvbl)	84024285/-	1980000/-	Nil	82044285/-	84024285/-
Pan india corporation limited((Liabilities)	3162036/-	3162036	Nil	Nil	3162036/-

Mr. Om Prakash pathak Rs. 500000/-

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. 1698009.00	Rs. (32044650.00)
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. 0.015	Rs. (0.286)
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 1698009.00	Rs. (32043650.00)
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. 0.015	Rs. (0.286)
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.

During the year Deferred tax assets has emerged on depreciation which has not been recognized as stated below.

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	964575.00 (810000.00)
BOOKS	Nil	1286870.00 (741000.00)
TOTAL	Nil	2251445.00 (1551000.00)



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

Sd/-
Sanjeev Kumar
Partner
M.No 091901

For and on behalf of the board

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

Sd/-
Ankit Rathi
(Director)
DIN-01379134

Date: 29.05.2014
Place: New Delhi

Sd/-
Deepa Kumari
(CFO)

ANNUAL REPORT 2014 - 2015

CIN - L72200DL1992PLC241971
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

	For Year Ended 31.03.2015 Rupees	For Year Ended 31.03.2014 Rupees
Amount(in Rs.)		
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) before Tax and Extraordinary Items	(1,337,852.59)	(31,936,110.42)
Adjustments:		
Depreciation	687,171.00	607,784.00
Investment written off	-	30,362,160.00
		161,800.00
Operating Profit before Working Capital Changes	(650,681.59)	(804,366.42)
Working Capital Changes:		
Decrease/ (increase) in Current Assets	7,931,869.00	1,409,023.00
Increase/ (decrease) in Current Liabilities	(8,318,335.00)	(21,313,270.00)
Cash Generated from Operations	(1,037,147.59)	(20,708,613.42)
	-	-
Net cash flow from/ (used in) operating activities	(1,037,147.59)	(20,708,613.42)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Shares	-	90,768,655.00
Purchase of Investments	-	(14,023,200.00)
	-	-
Purchase of Fixed Assets	67,098.00	491,783.00
Net cash flow from/ (used in) investing activities	67,098.00	77,237,238.00
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)	(1,104,245.59)	58,528,624.58
ii) Cash and cash equivalents as at 1st April (Opening 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
iii) Cash and cash equivalents as at 31st March (Closing Balance)		
Cash in Hand	24,977.00	246,831.55
Balance with Banks	584,512.00	1,466,903.04
	609,489.00	1,713,734.59
Net Increase/Decrease in Cash & Cash Equivalents	(1,104,245.59)	918,504.58
Auditors' Report		(57,610,120.00)
As per our report of even date attached		

For: Soni Gulati & Company

Firm No. : 8770
Chartered Accountants

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

Place: New Delhi
Date : 29-05-2014

For and on behalf of Board

Sd/-
(OMPRAKASH PATHAK)
WHOLETIME DIRECTOR
DIN - 01428320

Sd/-
ANKIT RATHI
DIRECTOR
DIN - 01379134

Sd/-
Deepa Kumari
CFO

BITS LIMITED

Registered Address: 1111, 11th Floor, New Delhi House, 27, Barakhamba Road, New Delhi - 110001
CIN: L72200DL1992PLC241971 FORM 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 23rd **Annual General Meeting** of the Company to be held on Wednesday, 30th September, 2015 at 11:00 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, 2015		
2.	Re-appointment of Mr. Ankit Rathi, Director, who eligible to retire by rotation		
3.	Appointment of 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 of next Annual General Meeting and authorize board of directors of the company to fix their remuneration		
Special Business:			
4.	Adoption of newly substituted Articles of Association of the Company		

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 of2015.

Signature of shareholder.....

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



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	Form 9:00 a.m. (Indian Standard Time) on September 27, 2015
End of E-Voting	Up to 5:00 p.m. (Indian Standard Time) on September 29, 2015

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 23rd Annual General Meeting of the Company to be held on Wednesday, the 30th September, 2015 at 11:00 am at Plot No. 122, Mahalaxmi Vihar, 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.

- Please refer to the attached AGM Notice for instructions on E-Voting.

