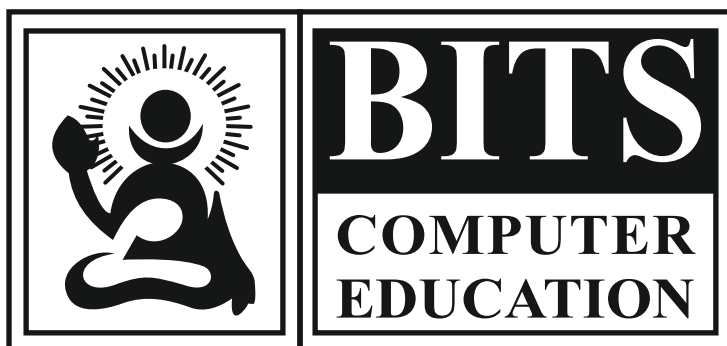


BITS LIMITED

27th ANNUAL REPORT 2018-19



CORPORATE INFORMATION**Board of Directors:**

Mr. Ankit Rath
Mr. Omprakash Ramashankar Pathak
Mr. Harish Kumar Chauhan
Ms. Preeti Sharma

Chairman and Director
Managing Director
Non-Executive Independent Director
Non-Executive Independent Director

Mr. Sachin Sharma
Mr. Surendra Singh Tangar

Chief Financial Officer
Company Secretary

Registered Office:

711, 7th Floor, New Delhi House,
27, Barakhamba Road, New Delhi – 110001

Mumbai Office:

23, Great Western Building, 1st Floor, 130/132,
Shahid Bhagat Singh Road, Fort, Mumbai-400023

Company Auditors:

M/s. R. C. Chadda & Co. LLP,
A-27, Vivek Vihar, Phase-II, Maharaja Surajmal Road,
Opposite Sukhdev College, Delhi- 110095

Listed with Stock Exchange:**BSE LIMITED**

Phiroze Jeejeebhoy Towers, Dalal Street, Kala Ghoda, Fort,
Mumbai, Maharashtra- 400001

Registrar & Transfer Agents:**M/s MAS Services Ltd.**

T-34, 2nd Floor, Okhla Industrial Area, Phase-II,
New Delhi-110020

Bankers:**Development Credit Bank**

Mittal Court -C Wing, Nariman Point, Mumbai-400 021

Dena Bank

Netaji Shubhash Marg, Darya Ganj,
New Delhi- 110002

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NOTICE

NOTICE is hereby given that the 27th **Annual General Meeting** of the members of **BITS LIMITED** will be held at **Plot No. 122, Mahalaxmi Vihar, Karawal Nagar, Delhi-110094** on **Monday, 30th September 2019 at 11:00 A.M. (IST)** to transact the following business: -

ORDINARY BUSINESSES:

1. To receive, consider and adopt: -
 - a) The Standalone Audited Financial Statements of the company for the Financial Year ended 31st March, 2019 along with the Reports of the Directors and Auditors' thereon
 - b) The Consolidated Audited Financial Statements of the company for the Financial Year ended 31st March, 2019 along with the Reports of the Directors and Auditors' thereon
2. To appoint a Director in place of Mr. Ankit Rath (DIN: - 01379134) Director, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To appoint Mr. Harish Kumar Chauhan (DIN 06857506), as a Director and as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution**:

RESOLVED THAT Mr. Harish Kumar Chauhan (DIN – 06857506), who was appointed as an Additional Director (Category : Independent) of the Company, by the Board of Directors w.e.f. April, 01st, 2019 under Section 161(1) of the Companies Act, 2013, and who holds office up to the date of this Annual General Meeting (27th AGM) of the company and in respect of whom the company has received a notice under section 160 of the Companies Act, 2013 and the rules made there under in writing from a member proposing his candidature for the office of director be and is hereby regularized and appointed as a Non – Executive Independent Director of the Company.

“RESOLVED FURTHER THAT Mr. Harish Kumar Chauhan (DIN – 06857506) be and hereby appointed for a fixed term of five consecutive years from the conclusion of 27th Annual General Meeting till the 32nd Annual General Meeting and has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013 and his term of office shall not be liable to retire by rotation pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement entered into with stock exchanges (Including

any statutory modification(s) or re-enactment thereof for the time being in force) .”

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

4. To appoint Mrs. Preeti Sharma (DIN 06942133), as a Director and as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution**:

RESOLVED THAT Mrs. Preeti Sharma (DIN – 06942133), who was appointed as an Additional Director (Category : Independent) of the Company, by the Board of Directors w.e.f. April, 01st, 2019 under Section 161(1) of the Companies Act, 2013, and who holds office up to the date of this Annual General Meeting (27th AGM) of the company and in respect of whom the company has received a notice under section 160 of the Companies Act, 2013 and the rules made there under in writing from a member proposing his candidature for the office of director be and is hereby regularized and appointed as a Non – Executive Independent Director of the Company.

“RESOLVED FURTHER THAT Mrs. Preeti Sharma (DIN – 06942133) be and hereby appointed for a fixed term of five consecutive years from the conclusion of 27th Annual General Meeting till the 32nd Annual General Meeting and has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013 and her term of office shall not be liable to retire by rotation pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement entered into with stock exchanges (Including any statutory modification(s) or re-enactment thereof for the time being in force) .”

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

5. To approve increase in remuneration of Mr. Omprakash Ramashankar Pathak, Managing Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration Committee & Audit Committee and pursuant to the provisions of Section 196,

197, 198, 201 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time) read with Schedule V of the said act, and such other approvals, permissions and sanctions of such authorities and/or agencies as may be required in this regard and subject to the provisions of the Articles of Association of Company, approval of the Members be and is hereby accorded to the revision in the remuneration of Mr. Omprakash Ramashankar Pathak (DIN: 01428320), Managing Director of the Company.

RESOLVED FURTHER THAT the overall managerial remuneration payable to Mr. Omprakash Ramashankar Pathak shall be such amount as may be fixed by the Board from time to time on recommendation of the Nomination and Remuneration Committee & Audit Committee but not exceeding Rs. 1 Lakh per month at any point of time and that the terms and conditions of the aforesaid remuneration payable to the said Managing Director be varied/alterd/revised within said overall limit, in such manner as may be required during his remaining tenure of directorship.

RESOLVED FURTHER THAT where in any Financial Year during the tenure of the said Managing Director the Company has no profits or profits are inadequate, the aforesaid remuneration or remuneration as may be approved by the Board of Directors of the Company from time to time shall be paid as minimum remuneration."

**By Order of the Board of Directors
For Bits Limited**

**Sd/-
Omprakash Ramashankar Pathak**
(Managing Director)
DIN: - 01428320

Date: 26.08.2019
Place: New Delhi

Address: 503, 5th Floor,
Trimurti Appt Kores Road,
J K Gram, Thane,
Maharashtra- 400606

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 27th ANNUAL GENERAL MEETING ("THE 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 FIXED 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.

The Instrument appointing a proxy shall be in writing and be signed by the appointer or his/her attorney duly authorized in writing or, if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it.

Proxies submitted on behalf of limited companies, societies, partnership firms etc. must be supported by appropriate resolution/authority, as applicable, issued by the member.

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 2018 - 19 is being sent through electronic mode only to those members whose email address are registered with the Company/Depository Participant(s), unless any member who has requested for a physical copy of the report. For members who have

not registered their email address, physical copies of the annual report 2018 - 19 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. Additional Information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, In respect of the directors seeking appointment/re-appointment at the AGM, is furnished as annexure to the Notice.
10. 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.
11. Members / Proxies / authorized representative are requested to 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.
12. 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.
13. The Notice for the AGM and the Annual Report will be available for inspection at the Registered Office 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.
14. 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.
15. All documents referred to in the accompanying notice are open for inspection by the members 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 01: 00 P.M up to the date of this Annual General Meeting.
16. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended, securities of listed

companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, MAS Services Limited for assistance in this regard.

17. 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.
18. The Register of Members and Share Transfer Books of the company shall remain closed from 24.09.2019 to 30.09.2019 (Both days inclusive).
19. 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.
20. Due to security reasons mobile phones, camera, bags and other accessories are not allowed to be carried inside the meeting premises.
21. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) rules, 2014 as substituted by the Companies (Management and Administration) Amendment, Rules 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 instructions 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 Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 e-voting is mandatory for every company which has listed its equity shares on a recognized stock exchange 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 Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 with Stock Exchanges, the Company is pleased to provide its members the facility to exercise their right to vote using an electronic voting system from a place other than the venue of AGM ("remote e-voting") at the 27th Annual General Meeting (AGM) by electronic means on all resolutions 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:
- iii) The e-voting facility is available at the link <http://www.evoting.nsdl.com>
- iv) The electronic voting particulars are set out below:

EVEN (E-VOTING EVENT NO.)	USER ID	PASSWORD/ PIN
112097		

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

COMMENCEMENT OF E-VOTING	END OF E-VOTING
Form 10:00 A.M. (Indian Standard Time) on Friday, September 27, 2019	Up to 5:00 P.M. (Indian Standard Time) on Sunday, September 29, 2019

The cut-off date for the purpose of dispatch of this Notice is Friday, 30.08.2019.

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 for the purpose of voting (record date) of 23rd September, 2019 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 27th Annual General Meeting and holds shares as of the Cut – off date of 23rd September, 2019 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 27th 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-remote e-Voting". PDF 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 (a) 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.
- II. In case of Members receiving Physical copy of Notice of 27th 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 over-leaf.
 - 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 under 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).
 - D. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the Cut – off date of 23rd September, 2019.
 - E. Any person, who acquires shares and becomes member of the company after dispatch of Notice and holds shares as of the Cut – off date i.e. 23rd September, 2019 may also obtain the login ID and Password by sending a request at www.evoting.nsdl.com or RTA, MAS Services Limited.
- 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.
- F. 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.
 - G. 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.
 - H. Ms. Pritika Nagi, Practicing Company Secretary (Membership No. ACS 29544 & CP No.11279), Proprietor, M/s Pritika Nagi & Associates, Company Secretaries has been appointed as the Scrutinizer for providing the facility to the members of the company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
 - I. 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.

- J. 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/Managing Director, who shall countersign the same and declare the result of the voting forthwith.
- K. 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 or a person authorized by him in writing 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, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020.

ANNEXURE TO THE NOTICE

(Explanatory Statement pursuant to provisions of Section 102(1) of the Companies Act, 2013)

The following Explanatory Statement set out all material facts relating to the Special Business mentioned under item No. 3, 4 and 5 of the accompanying notice dated 26.08.2019

Item No. 3

Appointment of Mr. Harish Kumar Chauhan (DIN 06857506), as a Director and as an Independent Director of the Company

The Board of Directors appointed Mr. Harish Kumar Chauhan as an Additional Director (Independent Director) of the Company with effect from 1st April, 2019 under Section 161(1) of the Companies Act, 2013. His term of office expires at the forthcoming Annual General Meeting and company has received a notice in writing from a member along with the deposit of requisite amount under section 160 of the Companies Act, 2013 proposing the candidature of Mr. Harish Kumar Chauhan for the office of Director of the Company.

Mr. Harish Kumar Chauhan is a Commerce Graduate. He has wide work experience in field of Administration & Marketing and finance. He also holds directorship of Public Companies

that are Pan India Corporation Limited, Amorphos Industries Limited, Tactfull Investments Limited and Ujjwal Limited.

Mr. Harish Kumar Chauhan, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation. Mr. Harish Kumar Chauhan has given a declaration to the Board that he meets the criteria of independence as provided under section 149 (6) of the Act. Mr. Harish Kumar Chauhan is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director. Mr. Harish Kumar Chauhan is holding DIN: 06857506 and declares that he is not disqualified from being appointed as a Director under the act as per section 152(4) of the Companies Act, 2013.

The matter regarding appointment of Mr. Harish Kumar Chauhan as an Independent Director was placed before the Nomination and Remuneration Committee, which recommends his appointment as an Independent Director for a term of five consecutive years from 30.09.2019 to 29.09.2024.

In the opinion of the Board, Mr. Harish Kumar Chauhan fulfills the conditions specified in the Companies Act, 2013 and the Rules made there under for appointment as an Independent Director. The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Harish Kumar Chauhan as an Independent Director. Accordingly, In compliance with the provisions of section 149 read with Schedule IV of the Act, the Board recommends the resolution in relation to the appointment of Mr. Harish Kumar Chauhan as an Independent Director

Before the Members in general meeting for their approval. Copy of draft letter of appointment which includes terms and conditions of appointment of Mr. Harish Kumar Chauhan as an Independent Directors shall be open for inspection by the members at the Registered Office during normal business hours on any working day of the Company and also posted on the website of the company i.e. <http://www.bits.net.in/> save and except above, none of the other Directors/Key managerial personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed ordinary resolution set out in Item No. 3.

Item No. 4

Appointment of Mrs. Preeti Sharma (DIN 06942133), as a Director and as an Independent Director of the Company

The Board of Directors appointed Mrs. Preeti Sharma as an Additional Director (Independent Director) of the Company with effect from 1st April, 2019 under Section 161(1) of the Companies Act, 2013. Her term of office expires at the forthcoming Annual General Meeting and company has received a notice in writing from a member along with the deposit of requisite amount under section 160 of the Companies Act, 2013 proposing the candidature of Mrs. Preeti Sharma for the office of Director of the Company.

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

Mrs. Preeti Sharma, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation. Mrs. Preeti Sharma has given a declaration to the Board that she meets the criteria of independence as provided under section 149 (6) of the Act. Mrs. Preeti Sharma is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as Director. Mrs. Preeti Sharma is holding DIN: 06942133 and declares that she is not disqualified from being appointed as a Director under the act as per section 152(4) of the Companies Act, 2013.

The matter regarding appointment of Mrs. Preeti Sharma as an Independent Director was placed before the Nomination and Remuneration Committee, which recommends her appointment as an Independent Director for a term of five consecutive years from 30.09.2019 to 29.09.2024.

In the opinion of the Board, Mrs. Preeti Sharma fulfills the conditions specified in the Companies Act, 2013 and the Rules made there under for appointment as an Independent Director. The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Mrs. Preeti Sharma as an Independent Director. Accordingly, In compliance with the provisions of section 149 read with Schedule IV of the Act, the Board recommends the resolution in relation to the appointment of Mrs. Preeti Sharma as an Independent Director before the Members in general meeting for their approval.

Copy of draft letter of appointment which includes terms and conditions of appointment of Mrs. Preeti Sharma as an Independent Directors shall be open for inspection by the members at the Registered Office during normal business hours on any working day of the Company and also posted on the website of the company i.e. <http://www.bits.net.in/> save and except above, none of the other Directors/Key managerial personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed ordinary resolution set out in Item No. 4.

Item No. 5

To approve increase in remuneration of Mr. Omprakash Ramashankar Pathak, Managing Director of the Company

Mr. Omprakash Ramashankar Pathak was appointed and designated as Managing Director of the Company by the Board at its meeting held on 26.08.2017 for a period of Three (3) years with effect from 07th May, 2017 to 06th May, 2020. The same was subsequently approved by the members at the AGM held on 28th September, 2017.

Further, considering the contribution of Mr. Omprakash Ramashankar Pathak and the progress made by the Company under his leadership and guidance and as per the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on 26th August, 2019 approved the revision in the remuneration of Mr. Omprakash Ramashankar Pathak for the remaining tenure of his directorship.

Pursuant to Section 197 read with Schedule V of the Companies Act, 2013, the revised remuneration of Mr. Omprakash Ramashankar Pathak as decided by the Board is required to be approved by the members at their meeting.

Pursuant to Clause (iv) of Section II of Schedule V of Companies Act, 2013 the following statement is given:

I.	General Information	
(1)	Nature of Industry	Not Applicable
(2)	Date or expected date of commencement of commercial production:	Not Applicable
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not Applicable
(4)	Financial performance based on given indicators:	Performance for F.Y. 2018-19: 1. Gross Revenue: Rs. 72,40,000 2. Profit After Tax: Rs. 4,56,000 3. EPS: 0.0004
(5)	Foreign investments or collaborations, if any:	Not Applicable
II.	Information about the appointee	
(1)	Background Details:	Mr. Pathak has a wide experience in the field of Finance & Marketing.
(2)	Past Remuneration:	The remuneration drawn by Mr. Pathak during the last F.Y. 2018-19 was Rs. 6,01,650.
(3)	Recognition or awards:	Not Applicable
(4)	Job profile and his suitability:	He is associated with the Company from last 6 years and has led successful growth of the business.
(5)	Remuneration proposed:	As mentioned in the Resolution stated above.
(6)	Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):	Considering the responsibility shouldered by him of the enhanced business activities of the Company, proposed remuneration is commensurate with industry standards and Board level positions held in similar sized and similarly positioned businesses.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:	Not Applicable
III.	Other Information:	
(1)	Reasons of loss or inadequate profits:	There is a decline in the industry the Company operates in. Also the expenses of the company are more than the profit of the company; therefore the company has inadequate profits.
(2)	Steps taken or proposed to be taken for improvement:	Not Applicable
(3)	Expected increase in productivity and profits in measurable terms:	Not Applicable

Pursuant to the applicable provisions of the Companies Act, 2013, and the relevant rules made there under, consent of the members is being sought by way of a Special Resolution.

Except Mr. Omprakash Ramashankar Pathak, none of the promoters, directors, key managerial personnel and their relatives is considered or interested financially or otherwise, in the Resolution.

The Board of Directors recommend passing of the Special Resolution at Item No. 5 of the Notice.

DETAILS OF DIRECTORS SEEKING APPOINTMENT OR RE-APPOINTMENT AT FORTHCOMING ANNUAL GENERAL MEETING

(Pursuant to Regulation 36 (3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India.)

Particulars			
Name and Age of Director	Mr. Ankit Rathi, 42 years	Mr. Harish Kumar Chauhan, 27 years	Mrs. Preeti Sharma, 46 years
Date of Birth	03/04/1977	10/03/1992	30/09/1972
DIN	01379134	06857506	06942133
Qualification	Graduate	Graduate	Under Graduate
Expertise in specific functional areas	Has an experience of about Seventeen years in Share Trading & Administration, Financial Management.	Wide work experience in field of Administration & Marketing and finance	Administration, human resources and finance
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid	N.A.	N.A.	N.A.
Last Drawn Remuneration/ Sitting Fees	N.A.	1,68,000	2,84,500
Date of first appointment on the Board	01/08/2011	10/05/2014	12/08/2014
Directorship held in other Listed companies and Unlisted companies	1) PAN INDIA CORPORATION LIMITED 2) TACTFULL INVESTMENTS LIMITED 3) UJJWAL LIMITED 4) VIZWISE COMMERCE PRIVATE LIMITED 5) SPG FINVEST PRIVATE LIMITED 6) UJJWAL INFRASTRUCTURE PRIVATE LIMITED	1) PAN INDIA CORPORATION LIMITED 2) TACTFULL INVESTMENTS LIMITED 3) UJJWAL LIMITED 4) AMORPHOS INDUSTRIES LIMITED	1) PAN INDIA CORPORATION LIMITED 2) TACTFULL INVESTMENTS LIMITED 3) UJJWAL LIMITED
No. of Board Meetings attended during the year 2018-2019	6	6	6
Membership/Chairmanship of the Committees across the Companies (as on 31.03.2019) *	Member – 5; Chairman - 2	Member – 9; Chairman - 5	Member – 5; Chairman - 0
No. of equity shares held	Nil	Nil	Nil
Relationship with other Directors	He is not related /associated with any director of the Company	He is not related /associated with any director of the Company	She is not related /associated with any director of the Company
Brief Resume	Mr. Ankit Rathi aged 42 years is associated with the company from last 8 years. He has wide experience in Share Trading & Administration, Financial Management.	Mr. Harish Kumar Chauhan aged 27 years has wide work experience in field of Administration & Marketing and finance	Mrs. Preeti Sharma aged 46 years has wide experience in the field of Administration, human resources and finance

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

**By Order of the Board of Directors
For Bits Limited**

Sd/-

Omprakash Ramashankar Pathak

(Managing Director)

DIN: - 01428320

Date: 26.08.2019

Place: New Delhi

Address: 503, 5TH Floor, Trimurti Appt Kores Road, J K Gram, Thane, Maharashtra- 400606

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 2018-19**Dear Members,**

Your Directors are pleased to present the 27th Annual Report on the business and operations of the Company together with the Audited Financial Statement for the year ended 31st March, 2019.

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. in India & abroad.

FINANCIAL PERFORMANCE

SUMMARISED FINANCIAL HIGHLIGHTS	(Amount in Rs.)	
	Current Year	Previous Year
Particulars	Year Ended 31st March 2019	Year Ended 31st March 2018
Income from Operations	72,40,000	61,59,485
Other Income	-	4,72,718
Total Income	72,40,000	66,32,203
Total Expenditure	66,90,000	2,15,96,248
Profit/ (Loss) before tax	5,50,000	(1,49,64,045)
Less: Provision for Deferred Tax	Nil	Nil
Less: Prior period Adjustment of Tax	94,000	1,81,683
Net Profit/(Loss) after Tax	4,56,000	(1,51,45,728)

STATE OF COMPANY AFFAIRS

During the year under review, the Company has generated the total revenue of ₹ 72,40,000/-. The Post Tax Profit of your Company is ₹ 4,56,000/- as compared to the last year's Post Tax Loss ₹ 1,51,45,728/-.

Your directors expect that there will be further improvement in overall performance in the coming years.

MATERIAL CHANGES AND COMMITMENTS AFTER THE DATE OF CLOSE OF FINANCIAL YEAR 2018-19

There is no material changes and commitment affecting the financial position of company after the close of financial year 2018-19 till the date of report.

DETAILS OF SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATE COMPANIES AND HIGHLIGHTS OF THEIR PERFORMANCE AND THEIR CONTRIBUTION TO THE OVERALL PERFORMANCE OF THE COMPANY

During the year under review, company acquired shares of M/s. Ujjwal Infrastructure Private Limited and post acquisition, M/s. Ujjwal Infrastructure Private Limited became the Associate of the company.

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

Pursuant to provisions of Section 129(3) of the Act, a statement containing salient features of financial statements of the associate company in form AOC-1 is attached as Annexure.

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 2018-19.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

Details of Loans, Guarantees and Investments, if any, which are covered under the provisions of Section 186 of Companies Act, 2013 are given in the notes to the Financial Statements as on 31.03.2019 and forms a 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 entered by the company with related party for the year under review were in the ordinary course of business and on Arm's Length basis. Detail of related party transactions have been disclosed in notes to the financial statements.

Further, your company has not entered into any **material contracts or arrangements** with related parties at arm's length basis. Accordingly, the disclosure of related party transactions as required under Section 134(3) (h) of the Companies Act, 2013 read with rules made there under, in Form AOC-2 is not applicable.

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 board has formulated a Risk Management policy, which defines the risk assessment and minimization procedures. As per view of board, there is no other risk in operation of company, which may impact the existence of company.

AUDITOR AND AUDITOR'S REPORT

STATUTORY AUDITORS

In terms of the provisions of Section 139(1) of the Companies

Act, 2013, the Board of Directors on the recommendation of the Audit Committee of the Board subject to its confirmation by the members/shareholders in the Annual General Meeting approved the appointment of M/s R. C. Chadda & Co. LLP, Chartered Accountants, as a Statutory Auditors of the Company for a period of Five years at the 26th Annual General Meeting held on 28th September, 2018 and ratification by the members/shareholders at every Annual General Meeting of the Company. However, Companies Amendment Act, 2017 read with notification dated 07th May, 2018 deleted provision of Annual ratification of appointment of Auditors. As such, no resolution for approving the ratification of appointment of Statutory Auditors has been proposed in the Notice.

The Auditor's Report and notes on accounts referred to in the Auditor's Report is self-explanatory and there are no adverse remarks or qualification in the Report except as stated below and general remarks are in the nature of facts.

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 2017-18. The Secretarial Audit Report for the financial year ended 31st March, 2019 is attached herewith as part of the Annual Report as **Annexure A** which forms an integral part of this report.

The Secretarial Audit report does not contain any qualification, adverse remarks or reservation for the year under review.

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 and Cessation of Directors & Key Managerial Personnel

During the year under review, shareholders have approved the re-appointment of Mr. Omprakash Ramashankar Pathak, who was liable to retire by rotation at the last Annual General Meeting.

Also, Ms. Sonam Gupta resigned from the post of Company Secretary and Compliance Officer of the Company w.e.f. 15th May, 2018.

Further, Mr. Surendra Singh Tangar was appointed as Company Secretary and Compliance Officer of the Company w.e.f. 13th August, 2018.

Further, Mr. Harish Kumar Chauhan (DIN: 06758506) and Mrs. Preeti Sharma (DIN: 06942133) ceased to be the Directors of the Company w.e.f. 31st March, 2019, there after Board had appointed them on the Board of the Company as the Additional Directors of the Company (Category: Independent Directors) w.e.f. 01st April, 2019 to hold the office up to the conclusion of ensuing Annual General Meeting. Further on the recommendation of Nomination and Remuneration Committee, Board has proposed the appointment of Mr. Harish Kumar Chauhan and Mrs. Preeti Sharma as the Director of the Company (Category: Independent Director) for a fixed term of five consecutive years to hold the office from the conclusion of 27th Annual General Meeting up to 32nd Annual General Meeting subject to the approval of shareholders in the ensuing Annual General Meeting.

Further, there is no change in the composition of the Board of Directors of the Company and no directors and Key Managerial Personnel have been appointed/re-appointed or resign from the company.

All Independent Directors have 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 Regulation 16(1) (b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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 B** and forms an integral part of this report and same will also be available on Company's Website <http://www.bits.net.in>

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 and notes on agenda of each Board Meeting was given in writing to each Director.

In the **Financial Year 2018-19**, the Board met Six (6) times. The meetings were held on 29-05-2019, 13-08-2019, 27-08-2019, 13-11-2018, 12-02-2019 and 20-03-2019. The interval between two meetings was well within the maximum period mentioned under Section 173 of Companies Act, 2013 and Regulation 17(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. For further details, please refer report on Corporate Governance, which is an integral part of this Annual Report.

AUDIT COMMITTEE

The present Audit Committee of the board comprises of three

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

Mr. Harish Kumar Chauhan, and Mrs. Preeti Sharma, Non-Executive independent Directors ceased to be the Directors of the company w.e.f. 31st March 2019. Thereafter, Board of Directors appointed them as the Additional Directors under the category of Independent Director w.e.f. 1st April 2019. Therefore, Mr. Harish Kumar Chauhan and Mrs. Preeti Sharma were appointed as the member of the Audit Committee under same designation w.e.f. 01st April, 2019.

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.

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. There has been no change to the Whistle blower Policy adopted by the Company during fiscal year 2018-19. 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 Directors, Key Managerial Personnel and Senior Management of the Company. The details of this policy are attached herewith as **Annexure C** 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 D** 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

SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 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.

The exclusive meeting of Independent Directors was held to evaluate the performance of the Board, non-Independent Directors & the Chairman.

The performance evaluation of committee's and board as a whole was done on the basis of questionnaire which was circulated among the board members and committee members and on receiving the inputs from them, their performance was assessed.

Lastly, performance evaluation of individual directors was done on the basis of self-evaluation forms which were circulated among the directors and on receiving the duly filled forms, their performance was assessed.

FAMILIARIZATION PROGRAMME AND TRAINING OF INDEPENDENT DIRECTORS

The details of 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 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/docs.html>.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section on Report of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms an integral part of the Annual Report.

The requisite certificate from the Auditor's regarding compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as **Annexure E** to the Director's Report.

MANAGEMENTS' DISCUSSION AND ANALYSIS REPORT

Managements' Discussion and Analysis Report for the year under review, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming Annexure F of the Director's Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Companies Act 2013 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.

Further, the details of top ten employees in terms of Remuneration Drawn as per 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 and 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 G**.

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 source-

es 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 2018-19, 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 there of: **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, 2019, 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, 2019 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 pre-

venting 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 **BSE Limited**.

Your Company has been suspected as 'Shell Company' by SEBI, due to which equity shares of the company has been placed in Stage VI of the Graded Surveillance Measure ("GSM") on the stock exchange and has been permitted for restricted trading once a month and transfer of the scrip in restrictive trading category or settlement on trade to trade basis.

Your management has filed a representation before SEBI and BSE for removing the name of the company from the "Shell Company" database and place the company under normal trading scenarios as earlier.

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) Vizwise Commerce Private Limited is the Holding Company and Managing Director of the Company does not receive any remuneration or Commission from such holding Company. Further there is no subsidiary Company of your Company.
- 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: 26.08.2019
Place: New Delhi

Sd/-
Omprakash Ramashankar Pathak
(Managing Director)
DIN – 01428320

Sd/-
Ankit Rathi
(Director)
DIN - 01379134

Annexure A to Director's Report**FORM NO. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED AS ON MARCH, 31ST 2019****{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 LIMITED711, 7th Floor, New Delhi House,
27, Barakhamba Road, New Delhi-110001

We 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 our verification of the **Bits Limited'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, We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March, 31st 2019 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Bits Limited ("the Company")** for the Financial Year ended on 31st March, 2019 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 there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - (**Not Applicable**)

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, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;- (**Not Applicable**)
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - (**Not Applicable**)
- 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 Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - (**Not Applicable**) and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - (**Not applicable**)
- i. The Securities and Exchange Board of India (Listing Obligation & Disclosure Requirement) Regulation, 2015.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the Stock Exchange i.e. BSE 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.

We 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. There is no change in the composition of the Board of Directors that took place during the period under review.

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. As per the minutes of the Meeting duly recorded and duly signed by chairman of the meeting, the decisions of the Board were taken unanimously and no dissenting views have been recorded. It is also advisable to maintain all the records of the company in the electronic form also.

We 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.

We further report that during the audit period there has not been any such activity which have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

We further Report that company is carrying out the activity of running of coaching Centre and selling of study material and does not fall under any industry for which any specific law is applicable.

For Pritika Nagi & Associates

Sd/-

PritikaNagi

Date: 26.08.2019
Place: New Delhi

Practicing Company Secretary
M. No.: 29544, CP No.: 11279

Note: This report is to be read with our letter of even date which is annexed as "**Annexure - I**" and forms an integral part of this report.

Annexure - I

To,

The Members

BITS LIMITED

711, 7thFloor, New Delhi House,
27, Barakhamba Road,
New Delhi-110001

Our report of even date is to be read with the following clarification and explanation:

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express opinion on the secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Pritika Nagi & Associates

Sd/-

PritikaNagi

Date: 26.08.2019
Place: New Delhi

Practicing Company Secretary
M. No.: 29544, CP No.: 11279

Annexure B to Director's Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

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	Public Company limited by shares, Indian Non-Government Company
5	Address of the Registered office & contact details	711, 7th 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	Rental Business	6,810	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	"% of shares held"	"Applicable Section"
1	VIZWISE COMMERCE PRIVATE LIMITED	U32109DL1995PTC066325	Holding	65.07	2(46)
2	UJJWAL INFRASTRUC-TURE PRIVATE LIMITED	U70101DL2012PTC233822	Associate	30	2(6)

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 01-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% 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.	7,27,99,186	-	72799186	65.07%	7,27,99,186	-	7,27,99,186	65.07%	0.00%
k) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
l) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	7,27,99,186	-	7,27,99,186	65.07%	7,27,99,186	-	7,27,99,186	65.07%	0.00%

(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 SHARE-HOLDING OF PROMOTER (A) = (A) (1) + (A)(2)	7,27,99,186	-	7,27,99,186	65.07%	7,27,99,186	-	7,27,99,186	65.07%	0.00%
B. Public Share-holding									
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.	8,04,536	2,15,600	10,20,136	0.91%	8,03,269	2,15,600	10,18,869	0.91%	0.00%
i) Indian									
ii) Overseas	-	-	-		-	-	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	2,49,24,886	84,08,750	3,33,33,636	29.80%	2,50,04,540	83,80,750	3,33,85,290	29.84%	0.04%
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	33,16,566	-	33,16,566	2.96%	33,16,566	-	33,16,566	2.96%	0.00%
c) Others (specify)									
Non Resident Indians Repat	1,87,924	8,77,500	10,65,424	0.95%	1,82,415	8,77,500	10,59,915	0.95%	0.00%
Non Resident Indians Non Repat	44,800	-	44,800	0.04%	65,250	-	65,250	0.06%	0.02%
Non Residents Indian/ OCB	-	-	-		-	-	-	-	
Clearing Members	2,06,752	-	2,06,752	0.18%	1,41,424	-	1,41,424	0.13%	0.05%
NBFC Registered with RBI	-	-	-	0.00%	-	-	-	0.00%	
Trusts	11,000	-	11,000	0.01%	11,000	-	11,000	0.01%	0.00%
Sub-total (B)(2):-	2,94,96,464	95,01,850	3,89,98,314	34.85%	2,95,24,464	94,73,850	3,89,98,314	34.85%	0.00%
Total Public Share-holding (B) = (B)(1) + (B)(2)	2,94,96,464	95,79,350	3,90,75,814	34.93%	2,95,24,464	95,51,350	3,90,75,814	34.93%	0.00%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%					0.00%
Grand Total (A+B+C)	10,22,90,150	95,79,350	11,18,75,000	100.00%	10,23,23,650	95,51,350	11,18,75,000	100.00%	0.00%

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01-April-2018]			Shareholding at the end of the year [As on 31-March-2019]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Vizwise Commerce Private Limited	7,27,99,186	65.07%	0	7,27,99,186	65.07%	0	0.00%
Total		7,27,99,186	65.07%	0	7,27,99,186	65.07%	0	0.00%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Date wise Increase/ Decrease in Promoters Share holding during the year	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			NIL			
	Changes during the year						
	At the end of the year						

(iv) Shareholding Pattern of top ten Shareholders

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

S. No.	For each of the Top 10 shareholders	Date wise Increase/ Decrease in Share holding during the year	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: Mahavir G Chopra						
	At the beginning of the year	1-Apr-2018		8,44,200	0.75%	8,44,200	0.75%
	Changes during the year				0.00%		0.00%
	At the end of the year	31-Mar-2019		8,44,200	0.75%	8,44,200	0.75%
2	Name: Laxmipat Dudheria						
	At the beginning of the year	1-Apr-2018		3,30,383	0.30%	3,30,383	0.30%
	Changes during the year				0.00%		0.00%
	At the end of the year	31-Mar-2019		3,30,383	0.30%	3,30,383	0.30%
3	Name: Sameer Vasant Godbole						
	At the beginning of the year	1-Apr-2018		2,39,395	0.21%	2,39,395	0.21%
	Changes during the year						
	At the end of the year	31-Mar-2019		2,39,395	0.21%	2,39,395	0.21%

4	Name : Urmila Devi Seksaria						
	At the beginning of the year	1-Apr-2018		1,97,379	0.18%	1,97,379	0.18%
	Changes during the year						
	At the end of the year	31-Mar-2019		1,97,379	0.18%	1,97,379	0.18%
5	Name: Jitender Kumar Jain						
	At the beginning of the year	01-Apr-18		1,84,459	0.16	1,84,459	0.16
	Changes during the year						
	At the end of the year	31-03-2019		1,84,459	0.16	1,84,459	0.16
6	Name: Anita Anil Bansal						
	At the beginning of the year	1-Apr-2018		1,73,107	0.15%	1,73,107	0.15%
	Changes during the year				0.00%		0.00%
	At the end of the year	31-Mar-2019		1,73,107	0.15%	1,73,107	0.15%
7	Name: Rabindra Nath Dolai						
	At the beginning of the year	1-Apr-2018		1,57,700	0.14%	1,57,700	0.14%
	Changes during the year						
	At the end of the year	31-Mar-2019		1,57,700	0.14%	1,57,700	0.14%
8	Name: Shyam Behari Kothi						
	At the beginning of the year	1-Apr-2018		1,30,000	0.12%	1,30,000	0.12%
	Changes during the year				0.00%		0.00%
	At the end of the year	31-Mar-2019		1,30,000	0.12%	1,30,000	0.12%
9	Name: Sandeep Musaddy						
	At the beginning of the year	1-Apr-2018		1,30,000	0.12%	1,30,000	0.12%
	Changes during the year				0.00%		0.00%
	At the end of the year	31-Mar-2019		1,30,000	0.12%	1,30,000	0.12%
10	Name : Vimal Vadilal Shah						
	At the beginning of the year	1-Apr-2018		1,28,500	0.11%	1,28,500	0.11%
	Changes during the year				0.00%		0.00%
	At the end of the year	31-Mar-2019		1,28,500	0.11%	1,28,500	0.11%

v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date wise Increase/ Decrease in Share holding during the year	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%
	Changes during the year						0.00%
	At the end of the year						0.00%
2	Name						
	At the beginning of the year						0.00%
	Changes during the year						0.00%
	At the end of the year						0.00%

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				-
* 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 (Rs/Lac)
	Name Designation	Mr. Omprakash Ramashankar Pathak Managing Director		
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,77,400.00		5,77,400.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	24,250.00		24,250.00
	(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)	6,01,650.00	-	6,01,650.00
	Ceiling as per the Act	84 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)
			Mr. Harish Kumar Chauhan	Ms.Preeti Sharma	
1	Independent Directors				
	Fee for attending board committee meetings		1,68,000.00	2,84,500.00	4,52,500.00
	Commission				
	Others, please specify				
	Total (1)	-	1,68,000.00	2,84,500.00	4,52,500.00
2	Other Non-Executive Directors				
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total (2)	-	-	-	
	Total (B)=(1+2)	-	-	-	4,52,500.00
	Total Directors Remuneration				10,54,150.00
	Overall Ceiling as per the Act	84 lakhs as per Section II of Part II of Schedule V of the Companies Act, 2013			

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs/Lac)
	Name	Sonam Gupta	Sachin Sharma	Surendra Singh Tangar	
	Designation	CS	CFO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	34,500.00	1,80,000.00	2,22,900.00	4,37,400.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			10,000.00	10,000.00
	(c) Profits in lieu of salary under sec- tion 17(3) Income- tax Act, 1961				-
2	Stock Option				-
3	Sweat Equity				-
4	Commission				
	- as % of profit				-
	- others, specify				-
5	Others, please specify				-
	Total	34,500.00	1,80,000.00	2,23,900	4,47,400.00

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	NIL	NIL	NIL	NIL	NIL
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment					
Compounding					

By Order of the Board of Directors
For Bits Limited

Date: 26.08.2019
Place: New Delhi

OMPRAKASH RAMASHANKAR PATHAK
Managing Director
DIN-01428320

ANKIT RATHI
Director
DIN - 01379134

ANNEXURE C TO DIRECTOR'S REPORT

BITS LIMITED

REGISTERED OFFICE -711, 7TH FLOOR,
 NEW DELHI HOUSE, 27, BARAKHAMBA ROAD
 NEW DELHI-110001
 CIN: L72200DL1992PLC241971

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 disclosed 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 D TO DIRECTORS REPORT

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 SEBI(Listing Obligations and Disclosures Requirements) Regulations, 2015.

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 director candidates 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 shall be as laid down in Companies Act, 2013 and Regulation 16(1) (b) of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

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 E to Directors' Report**CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To
**The Members,
BITS LIMITED**

We have examined all relevant records of BITS LIMITED for the purpose of certifying compliance of conditions of Corporate Governance as per para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 read with Regulation 34(3) of the said Listing Regulations (hereinafter, collectively referred to as the Listing Regulations) of the Company with stock exchanges in India for the Financial year ended on 31st March, 2019. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to the 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 certificate 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 the above-mentioned Listing Regulations as applicable has been complied by the Company in all material respect.

**For and on behalf of M/s R. C. Chadda & Co. LLP
Chartered Accountants**

**Sd/-
CA Neha Sapra
(Partner)
M. No. 533207**

Date: 26.08.2019
Place: New Delhi

Annexure F to the Directors' Report**MANAGEMENT DISCUSSION AND ANALYSIS****OVERVIEW**

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) under historical cost convention on the accrual basis as per the provisions of the Companies Act, 2013 ('the Act') ('to the extent notified') and the guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and relevant amendment rules issued thereafter. The company has adopted all the Ind AS Standards w.e.f April 01, 2017, the same being the transition date and adoption was carried out in accordance with Ind AS 101. Accordingly, Financial Statement for the year ended March 31, 2019 have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Previous periods figures (i.e. prepared in accordance with GAAP) have been restated as per Ind AS to make them comparable. 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. There are 6 employees in the Company as on 31st March, 2019 and 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, 2019 is given as under: -

PERFORMANCE	Year ended 31-03-2019 (Amount in Rs.)
Revenue	72,40,000
Expenditure	66,90,000
Profit/ (Loss) before tax	5,50,000
Prior Period Adjustment of tax	94,000
Profit/(Loss) for the year	4,56,000

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**

Place: New Delhi
Date: 26.08.2019

Sd/-
Omprakash Ramashankar Pathak
 (Managing Director)
 DIN - 01428320

Sd/-
Ankit Rathi
 (Director)
 DIN - 01379134

Annexure G to Director's Report

DETAILS OF TOP 10 EMPLOYEES IN TERMS OF REMUNERATION DRAWN AS PER 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

S. No	Name and Age of the Employee	Designation of the Employee	Remuneration Received (Amount in Rs.)	Nature of employment whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee within the meaning of clause (iii) of sub-rule (2) of rule 2 of Companies (Appointment and Remuneration) Rules, 2014	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1.	Mr. Omprakash Ramashankar Pathak; 44 years	Managing Director	Rs. 5,77,400	Contractual	Under Graduate; He has a wide experience in Finance, & Marketing	13th August, 2013	Ujjwal Green Energy Private Limited -Director	Nil	No
2.	Mr. Sachin Sharma; 31 years	Chief Financial Officer	Rs. 1,80,000	Contractual	Graduate; Nil	30th November, 2016	N.A.	Nil	No
3.	Mrs. Sonam Gupta	Company Secretary#	Rs. 34,500	Contractual	Company Secretary	11th July, 2017	N.A.	Nil	No
4.	Mr. Vijay Pal Shukla, 51 years	HR Manager	Rs. 5,25,000	Otherwise	Under Graduate	01st July, 2017	N.A.	Nil	No
5.	Mr. Ram Kumar Sharma	Accountant	Rs. 84,000	Contractual	Graduate		N.A.	Nil	No
6.	Mr. Vijender Kumar, 44 years	Peon	Rs. 1,29,600	Contractual	N. A.	01st January, 2018	N.A.	Nil	No
7.	Mr. Surendra Singh Tangar	Company Secretary*	Rs. 2,22,900	Contractual	Company Secretary	13th August, 2018	N.A.	Nil	No

Ms. Sonam Gupta has been resigned from the post of Company Secretary & Compliance Officer w.e.f. 15th May, 2018.

*Mr. Surendra Singh Tangar has been appointed as Company Secretary & Compliance Officer w.e.f. 13th August, 2018.

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

The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2018-19:

Table I

Name of Director/KMP and designation	Remuneration of Director/KMP for financial year 2018-19	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 (Managing Director)	Rs. 5,77,400	3.21:1	5%
Sachin Sharma (Chief Financial Officer)	Rs. 1,80,000	1:1	NIL
Surendra Singh Tangar (Company Secretary)	Rs. 2,22,900	1.24:1	NIL

Table II

Sl. No	Name of Director	Sitting Fee	Employee Median Remuneration	Ratio
1.	Mr. Harish Kumar Chauhan	Rs. 1,68,000	Rs. 1,80,000	0.93
2.	Ms. Preeti Sharma	Rs. 2,84,500	Rs. 1,80,000	1.58

- Median remuneration of employees of the Company is Rs. 1,80,000/-.
- There is no Percentage increase in the median remuneration of employees of Bits Limited;
- There were 6 permanent employees on the rolls of Company as on March 31, 2019;
- There was no average increase made in the salaries of employees in this financial year. 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.
- It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy of the company.

**By Order of the Board of Directors
For Bits Limited**

Place: New Delhi
Date: 26.08.2019

Sd/-
Omprakash Ramashankar Pathak
(Managing Director)
DIN – 01428320

Sd/-
Ankit Rathi
(Director)
DIN - 01379134

Annexure to Director's Report
Form AOC-I
Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of the Associates	Ujjwal Infrastructure Private Limited
1. Latest audited Balance Sheet Date	31.03.2019
2. Date on which the Associate or Joint Venture was Associated or Acquired	13-11-2018
3. Shares of Associate/Joint Ventures held by the company on the year end	
No.	4500
Amount of Investment in Associates/ Joint Venture	45,000
Extent of Holding %	30%
4. Description of how there is significant influence	Bits Limited holds 30% shares of Ujjwal Infrastructure Private Limited
5. Reason why the associate/ joint venture is not consolidated	N.A.
6. Net worth attributable to Shareholding as per latest audited Balance Sheet	Nil
7. Profit / Loss for the year	
i. Considered in Consolidation	Nil
ii. Not Considered in Consolidation	Nil

- Names of Associates or Joint Ventures which are yet to commence operations: N.A.
- Names of Associates or Joint Ventures which have been liquidated or sold during the year: N.A.

By Order of the Board of Directors
For Bits Limited

Date: 26.08.2019
Place: New Delhi

Sd/-
Omprakash Ramashankar Pathak
(Managing Director)
DIN – 01428320

Sd/-
Ankit Rathi
(Director)
DIN - 01379134

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2019.

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:

- Board of Directors:** The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company.
- Committees of the Board:** The Board has constituted the following Committees i.e. Audit Committee, Nomination & Remuneration Committee and Stakeholder's Relationship 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

The Board of the Company consists of 4 directors out of which 2 are Non-Executive Independent Directors, 1 is Executive Director and 1 is Non- Executive Non-Independent Director and the Chairman of the Board is Non-Executive Non-Independent Director.

The details of each member of the Board along with the number of Directorship/Chairmanship/Committee Membership as on 31st March, 2019, are as follows:

Name	Category	Designation	No. of Board Meetings Held during the year 2018 – 2019	No. of Board Meetings Attended during the year 2018 - 2019	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 Rath	Chairman Promoter/Non-Executive Director	Director	6	6	6	Yes	5	2
Mr. Omprakash Ramashankar Pathak	Promoter/Executive Director	Managing Director	6	6	8	Yes	3	1
Mr. Harish Kumar Chauhan	Independent/ Non-Executive Director	Director	6	6	4	Yes	9	5
Mrs. Preeti Sharma	Independent/ Non-Executive Director	Director	6	6	3	Yes	5	0

% 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.

None of independent directors serving more than 7 listed companies.

There is no relationship between directors of the company. Further, non - executive directors does not have any shareholding in the company.

Independent Directors

The Non-Executive Independent Directors of our Company fulfill the conditions of Independence as specified in Section 149(6) of Companies Act, 2013 and rules made there under and meet the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, Mr. Harish Kumar Chauhan (DIN: 06857506) and Mrs. Preeti Sharma (DIN: 06942133), Director of the Company, ceased to be the Director of the Company w.e.f. 31st March, 2019. Thereafter, Board of Directors in their meeting held on 12th February, 2019 appointed Mr. Harish Kumar Chauhan as the Additional Director (Category: Independent Director) w.e.f. 01st April, 2019 to hold the office up to the conclusion of ensuing Annual General Meeting.

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 2018-2019** (6) Six Board Meetings were held i.e. 29/05/2018, 13/08/2018, 27/08/2018, 13/11/2018, 12/02/2019 and 20/03/2019. The intervening period between two meetings was well within the maximum period mentioned under Section 173 of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), 2015.

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 Audit Committee of the Board comprises of 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.

Mr. Harish Kumar Chauhan, Non-Executive independent Director and Mrs. Preeti Sharma, Non-Executive independent Director ceased to be the Director of the company w.e.f. 31st March 2019. Thereafter, Board of Directors appointed them as the Additional Director under the category of Independent Director w.e.f. 1st April 2019. Therefore, Mr. Harish Kumar Chauhan and Mrs. Preeti Sharma were appointed as the member of the Audit Committee under same designation w.e.f. 01st April, 2019.

The composition, quorum, powers, role and scope are in accordance with Section 177 of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Meetings:

The Audit Committee met 5 times during the year on 29/05/2018, 13/08/2018, 27/08/2018, 13/11/2018 and 12/02/2019. The attendance of Members at the Meetings was as follows:

S.No.	Name of the Members	Status	No. of meetings during the year	No. of Meetings Attended
1	Harish Kumar Chauhan	Chairman	5	5
2	Preeti Sharma	Member	5	5
3	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;
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

There is no transaction of materially significant nature with related party that may have potential conflict with the interest of the Company at large. 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 Nomination & Remuneration Committee of the Board comprises of 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. AnkitRathi, Non-Executive Non-Independent Director.

Mr. Harish Kumar Chauhan and Mrs. Preeti Sharma, Non-Executive independent Directors of the company, ceased to be the Director of the company w.e.f. 31st March 2019. Thereafter, Board of Directors appointed them as the Additional Director under the category of Independent Director w.e.f. 1st April 2019. Therefore, Mr. Harish Kumar Chauhan and Mrs. Preeti Sharma were appointed as the member of the Nomination & Remuneration Committee under same designation w.e.f. 01st April, 2019.

The composition, quorum, powers, role and scope are in accordance with Section 178 of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

MEETINGS OF NOMINATION AND REMUNERATION COMMITTEE:

During the Financial Year 2018- 2019 the Committee met Twice i.e. on 24/08/2018 and 08/02/2019. The attendance of Members at the Meeting was as follows:

S.No.	Name of the Members	Status	No. of meetings during the year	No. of Meetings Attended
1	Harish Kumar Chauhan	Chairman	2	2
2	Ankit Rathi	Member	2	2
3	Preeti Sharma	Member	2	2

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.
- 5) Extension or continuation of the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment.

(5) REMUNERATION POLICY

The Remuneration Policy of the Company for Directors, Key Managerial Personnel and Senior Management is annexed as **Annexure C** 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 2018-2019:

Name of the Director	Salary	Perquisites and allowances	Retiral benefits	Bonus	Performance Linked Incentive	Total	Stock Options granted
Mr. Omprakash Ramashankar Pathak	Rs. 5,77,400 per annum	Nil	Nil	24,250	Nil	Rs. 6,01,650	Nil

The remuneration of Executive director is fixed with no performance linked incentives.

Further, Company does not make any payment to Non-Executive Directors except Sitting Fees.

The tenure of the office of the Managing Director is for 3 years i.e. w.e.f. 07th May, 2017 to 6th May, 2020 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 Mr. Harish Kumar Chauhan (DIN: 06857506) and Mrs. Preeti Sharma (DIN: 06942133) were appointed as the Additional Directors of the Company w.e.f. 01st April, 2019, who shall hold the office up to the conclusion of this Annual General Meeting. Board of Directors, on the recommendation of Nomination and Remuneration Committee proposed to appoint Mr. Harish Kumar Chauhan and Mrs. Preeti Sharma on the Board of the Company as the Independent Director of the Company, for a term of five years from the conclusion of this AGM.

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.

(6) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Board comprises of three members. Mr. Ankit Rath, Non-Executive Non-Independent Director, is the Chairman of the committee. The other members of Stakeholders Relationship Committee include Mr. Harish Kumar Chauhan, Non-Executive Independent Director and Mr. Omprakash Ramashankar Pathak, Managing Director.

Mr. Harish Kumar Chauhan and Mrs. Preeti Sharma, Non-Executive independent Directors ceased to be the Directors of the company w.e.f. 31st March 2019. Thereafter, Board of Directors appointed them as the Additional Directors under the category of Independent Director w.e.f. 1st April 2019. Therefore, Mr. Harish Kumar Chauhan and Mrs. Preeti Sharma were appointed as the member of the Nomination & Remuneration Committee under same designation w.e.f. 01st April, 2019.

Further, As per the provisions of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, every listed company was required to have at least three directors, with at least one being an independent director as the members in the Stake Holders Relationship Committee. Therefore, to meet the requirement of Regulation 20 of SEBI (Listing Obligations and Disclosures Requirements Regulations, 2015, therefore, Mr. Omprakash Ramashankar Pathak, Managing Director appointed as the member of Stakeholders Relationship Committee of the Board.

The composition, quorum, powers, role and scope are in accordance with Section 178 of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

MEETINGS OF STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Committee met 4 times during the year on 26/05/2018, 09/08/2018, 10/11/2018 and 09/02/2019. The attendance of Members at the Meeting was as follows:

ANNUAL REPORT 2018-2019

S.No.	Name of the Member	Status	No. of meetings during the year	No. of Meetings Attended
1	Ankit Rath	Chairman	4	4
2	Harish Kumar Chauhan	Member	4	4
3	Omprakash Ramashankar Pathak#	Member	0	0

#Mr. Omprakash Ramashankar Pathak was appointed as the member of Stake Holders Relationship Committee w.e.f. 12.02.2019.

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.

InvestorGrievanceRedressal

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

	Received	Resolved	Balance
Complaints during the year	1	1	Nil

As on March 31st, 2019 no complaints were outstanding.

Compliance officer

The Board has designated Mr. Surendra Singh Tangar, Company Secretary as Compliance Officer of the Company w.e.f. 13/08/2018. The Compliance Officer of the Company is responsible for complying with requirements of Securities Laws and Listing Agreements/ SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with Stock Exchanges.

• INDEPENDENT DIRECTOR'S MEETING

During the year under review, the Independent Directors met on 07th August, 2018 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.

(8) General Body Meetings

Details about Annual General Meetings held in last three years are as follows:

For the Year	Venue	Day, Date & Time	Special Resolution *
2015-16	Plot No. 122, Mahalaxmi Vihar, Karawal Nagar, Delhi-110094	Friday, 30th September, 2016 at 11:00 A.M.	1. Re-appointment of Shri Omprakash Ramashankar Pathak (DIN: 01428320) as Whole Time Director of the Company, for a period of 3 (three) years. (***) 2. To approve the material Related Party Transaction. (***)
2016-17	Plot No. 122, Mahalaxmi Vihar, Karawal Nagar, Delhi-110094	Thursday, 28th September, 2017 at 11:00 A.M.	1. Change in designation and subsequent appointment of Mr. Omprakash Ramashankar Pathak (DIN: - 01428320) as Managing Director of the Company for a period of 3 (three) years***
2017-18	Plot No. 122, Mahalaxmi Vihar, Karawal Nagar, Delhi-110094	Friday, 28th September, 2018 at 11:00 A. M.	N. A.

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

POSTAL BALLOT

During the previous financial year 2017-2018, Company has approached the shareholders through postal ballot in September, 2017. A snapshot of the voting results of the postal ballot is as follows: -

Particular of the Resolution	Type of Resolution	No. of Votes Polled	Votes Cast in Favour		Votes Cast Against	
			No. of Votes	%	No. of Votes	%
To Amend Memorandum of Association of the Company to align it with the Companies Act, 2013.	Special Resolution	72849864	72849834	99.99	30	.00004

Particular of the Resolution	Type of Resolution	No. of Votes Polled	Votes Cast in Favour		Votes Cast Against	
			No. of Votes	%	No. of Votes	%
To Alter Object Clause of the Memorandum of Association of the Company.	Special Resolution	72849864	72848735	99.99	1129	.0015

The Company successfully completed the process of obtaining approval of its shareholders for special resolutions on the items declared above through a postal ballot.

Ms. Pritika Nagi, being the proprietor of M/s Pritika Nagi & Associates, Practicing Company Secretary(ACS 29544& CP No. 11279) was appointed as Scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

Procedure for Postal Ballot

In compliance with section 108 and 110 and other applicable provisions of the Companies Act, 2013 read with related Rules, the Company provides electronic – voting (e-voting) facility to all its members. The Company engage the services of NSDL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or through e-voting.

The Company dispatched the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appears on the register of members as on cut-off date. The postal ballot notice is sent to members through permissible mode. The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable rules.

Voting rights are reckoned on the paid-up value of the shares registered in the name of the members as on cut-off date. Members desirous to exercise their vote by physical postal ballot forms are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Members desirous to exercise their vote by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submits his report to the Chairman, after the completion of the scrutiny and the consolidated results of the voting by postal ballot are then announced by the Chairman/Whole Time Director. The Results are communicated to the stock exchanges.

Further no resolution was passed through Postal Ballot during the financial year 2018-19.

Details of special resolution proposed to be conducted through postal ballot:

No special resolution is proposed to be conducted through postal ballot

(9) 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 transactions which 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.

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

The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As regard the non-mandatory requirements, Company tries to implement them to the extent possible.

5. Web link where policy for determining 'material' subsidiaries is disclosed;

There is no subsidiary of company, so no policy for determining material subsidiary is required to be disclosed on the website of the company.

6. Disclosure of commodity price risks and commodity hedging activities

Not Applicable

7. Company has complied with the corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

8. Company try to adopt the discretionary requirements as specified in Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

General

A certificate duly signed by the Chief Financial Officer and Managing Director relating to Financial Statements and internal controls and internal control systems for financial reporting as per the format provided in Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 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 Regulations 36(3) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 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 Managing Director regarding compliance by board members and senior management personnel with the company's code of conduct

Mr. Omprakash Ramashankar Pathak, Managing Director has furnished the requisite declaration affirming compliance with the Code of Conduct by the board members and senior management personnel, for the financial year ended March 31st, 2019, 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 2018-19.
7. Certificate from the Auditor regarding compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 is attached as Annexure E of the Director's Report.

(10) MEANS OF COMMUNICATION

Quarterly Results

Financial Express (English Daily) and Jansatta (Hindi Daily)	For Quarter ended 30.06.2018
Financial Express (English Daily) and Jansatta (Hindi Daily)	For Quarter ended 30.09.2018
Financial Express (English Daily) and Jansatta (Hindi Daily)	For Quarter ended 31.12.2018
Financial Express (English Daily) and Jansatta (Hindi Daily)	For Quarter ended 31.03.2019

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.

(11) SHAREHOLDERS' GENERAL INFORMATION

(1) Annual General Meeting

Day, Date and Time: Monday, 30th September, 2019 at 11:00 A.M.

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

(2) Financial Calendar (Tentative) for the Financial Year 2019– 2020

Tentative calendar of events for the financial year 2019–2020(April to March) is as under:

Adoption of Quarterly Financial Results for:

First Quarter on or before 14th August, 2019

Third Quarter on or before 14th February, 2020

Second Quarter on or before 14th November, 2019

Fourth Quarter on or before 30th May, 2020

(3) Book Closure

The Register of Members and Share Transfer Register will remain closed from 24.09.2019 to 30.09.2019 (Both days inclusive) on account of Annual General Meeting.

(4) Dividend Payment Date

No dividend has been recommended for the year ended 31st March, 2019.

(5) Listing at Stock Exchanges

Sr. No.	Name of Stock Exchange	Stock Code
1.	BSE Limited PhirozeJeejeebhoy Towers Dalal Street, Mumbai- 400001	526709

Listing Fee for the year 2019-20 has been paid to BSE Limited.

(6) Stock Code -- ISIN – INE839A01021

Market Price Data: High Low for the period April 2018 to March 2019

Month	High (Rs.)	Low (Rs.)
April 2018	0.31	0.27
May 2018	0.27	0.22
June 2018	0.21	0.19
July 2018	0.21	0.19
August 2018	0.20	0.19
September 2018	0.20	0.20
October 2018	0.20	0.20
November 2018	0.20	0.20
December 2018	0.20	0.20
January 2019	0.20	0.20
February 2019	0.20	0.20
March 2019	0.20	0.20

Source: BSE Portal

(7) Securities are suspended from trading–

Your Company has been suspected as 'Shell Company' by the SEBI, due to which equity shares of the company has been permitted for restricted trading once a month only.

Reason for restriction on trading has also been specified in the Directors' Report.

(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, 2nd Floor, 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

(9) 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 regulation 40(9) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and files a copy of the said certificate with Stock Exchange.

As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, MAS Services Limited for assistance in this regard

(10) Shareholding Pattern as on 31st March, 2019.

Category	No. of Shares held	% of Shareholding
A. PROMOTERS		
Promoter and Promoter Group	72799186	65.07
B. PUBLIC		
Individuals holding nominal share capital upto 2 lac	33385290	29.84
Individuals holding nominal share capital in excess of 2 lac	3316566	2.96
Financial Institutions/Banks	47000	0.04
Mutual Funds/UTI	30500	0.03
NBFCs registered with RBI	0000	0.00
OTHERS	2296458	2.06
Total	111875000	100

(11) Distribution of Shareholding as on 31st March, 2019

NO OF SH HOLDERS	% TO TOTAL	SHARE HOLDING OF NOMINAL VALUE OF RS	NO OF SHARE	AMOUNT IN RS	% TO TOTAL
8412	50.338	1 TO 1000	3795886	7591772	3.393
2856	17.091	1001 TO 2000	2794298	5588596	2.498
1838	10.999	2001 TO 4000	3167422	6334844	2.831
1237	7.402	4001 TO 6000	3247714	6495428	2.903
339	2.029	6001 TO 8000	1260001	2520002	1.126
782	4.68	8001 TO 10000	3847101	7694202	3.439
718	4.297	10001 TO 20000	5847736	11695472	5.227
529	3.166	20001 AND ABOVE	87914842	175829684	78.583
16711	100	TOTAL	111875000	223750000	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 (NSDL). Company has been allotted ISIN No. INE839A01021. As at 31.03.2019, 1,10,15,434 Equity Shares were held in demat form in CDSL and 9,13,08,216 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) Commodity price risk or foreign exchange risk and hedging activities

Not Applicable

(15) Plant Location

The Company does not carry any manufacturing activity.

(16) Address for correspondence:**Bits Limited (Regd. Office)**

711, 7th 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 REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

In Compliance with Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Omprakash Ramashankar Pathak, Managing 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 31st, 2019 and there is non-compliance thereof during the period under review.

**By Order of the Board of Directors
For Bits Limited**

Date: 26.08.2019
Place: New Delhi

**Sd/-
Omprakash Ramashankar Pathak**
(Managing Director)
DIN: - 01428320

Address: 503, 5th Floor, Trimurti Appt
Kores Road, J K Gram, Thane, Maharashtra- 400606

CHIEF FINANCIAL OFFICER AND MANAGING DIRECTOR CERTIFICATION

To,
The Board of Directors,
Bits Limited

We, Omprakash Ramashankar Pathak, Managing Director and Sachin Sharma, Chief Financial Officer of Bits Limited, to the best of our knowledge and belief hereby certify that:

- a) We have reviewed financial statements and the cash flow statement of the company for the year ended 31st March, 2019 and that to the best of our 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 our 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) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we 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 we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We 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 we 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: 26.08.2019
Place: New Delhi

Sd/-
Omprakash Ramashankar Pathak
Managing Director
DIN: - 01428320

Sd/-
Sachin Sharma
CFO

INDEPENDENT AUDITOR'S REPORT

To the Members of Bits Limited.

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Bits Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 March 31, 2019, and profit/loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Responsibilities of Management and Those Charged with Governance 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 standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. 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. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Also Refer "Annexure A" to this audit report.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "AnnexureB", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 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 ac-

count.

- (d) In our opinion, the aforesaid standalone 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure C**”.
- (g) 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 R C CHADDA & CO. LLP.
CHARTERED ACCOUNTANTS
 (Firm’s Registration No. 003151N)

(NEHA SAPRA)
 (PARTNER)
 M. No. 533207
 Place : New Delhi
 Date :25.05.2019

“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT

Report on the Auditor’s responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements

regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For R C CHADDA & CO. LLP.
CHARTERED ACCOUNTANTS
 (Firm's Registration No. 003151N)

(NEHA SAPRA)
 (PARTNER)
 M. No. 533207

Place : New Delhi
 Date :25.05.2019

"ANNEXURE B" TO THE INDEPENDENT AUDITORS' REPORT

With reference to the Annexure B referred to in the Independent Auditor's Report to the members of BITS LTD. (the Company) on the standalone financial statements for the year ended 31 March 2019, we report the following:

1. a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) According to the information and explanations given to us, the fixed assets are physically verified by the management on annual basis which in our opinion is reasonable, having regard to the size of the company and nature of its assets. As per information and explanations given to us, no material discrepancies were noticed on such verification.
- c) Title deed of the immovable property are held in name the company.
2. The company does not have any inventory. Thus clause (ii) of paragraph 3 of the order is not applicable to the company.
3. The company has not granted any loan secured or unsecured loan to company/ Firms covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore provisions of clause (III) of paragraph 3

of the Order are not applicable to the Company.

4. In our opinion and according to the information and explanations given to us, the Company has not given any loans, guarantees, securities or made any investments in respect of with provisions of section 185 and 186 of the Companies Act 2013 needs to be complied with.
5. The Company has not accepted deposit from the public covered under Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules made there under.
6. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, for any of the activities of the company.
7. a). The company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the extent applicable to it, with appropriate authorities except in the case of Provident Fund & Employee State Insurance, where the same is delayed. According to the information and explanations given to us, there are no undisputed statutory dues outstanding as at 31st March, 2019 for a period of more than six months from the date they became payable.
- b). According to the information and explanations given to us, there are no dues of
 Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added
 Tax Income which have not been deposited on account of any dispute.
8. According to the information and explanations given to us, the company does not have any borrowings from any financial institution, bank, government or dues to debenture holders.
9. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year, hence clause (ix) of paragraph 3 of the Order regarding default is not applicable to the Company.
10. Based upon the audit procedures performed and information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year under audit.
11. According to the information and explanations given to us and based on our examination of the records of the company, the Company has paid/provided for managerial remuneration in accordance with the requisite approv-

als mandated by the provisions of section 197 read with Schedule V to the Act.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company, hence clause (xii) of paragraph 3 of the Order is not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the provisions of section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanation given to us and based on our examination of the records of the company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non- cash transactions with directors or persons connected with him. Therefore provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company.
16. According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For R C CHADDA & CO. LLP.
CHARTERED ACCOUNTANTS
 (Firm's Registration No. 003151N)

(NEHA SAPRA)
 (PARTNER)
 M. No. 533207

Place : New Delhi
 Date :25.05.2019

“ANNEXURE C” TO THE INDEPENDENT AUDITORS’ REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act,2013(“ the Act “)

We have audited the internal financial controls over financial reporting of Bits Limited(“the Company”) as of March 31, 2019 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India .These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act,2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over the financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is

a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorities of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of the internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not

be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of the changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R C CHADDA & CO. LLP.
CHARTERED ACCOUNTANTS
(Firm's Registration No. 003151N)

(NEHA SAPRA)
(PARTNER)
M. No. 533207

Place : New Delhi
Date :25.05.2019

BALANCE SHEET AS AT 31ST, MARCH 2019

Figures in Thousand

Particulars	Note No.	Figures as at March 31, 2019	Figures as at March 31, 2018
ASSETS			
Non-current assets			
(a) Property, Plant and equipments	2	19,919	20,333
(b) Investment property			
(c) Other Intangible assets			
(d) Intangible assets under development			
(e) Financial assets			
(i) Investments	3	20,083	19,617
(iii) Loans	4	1,08,118	1,08,464
(ii) Trade Receivables	5	32,751	33,104
(iv) Others			
(i) Deferred tax assets(Net)			
(j) Other non-current assets			
Current assets			
(a) Financial Assets			
(i) Investments			
(ii) Trade Receivables			
(iii) Cash and cash equivalents	6	509	747
(iv) Bank balances other than (iii) above			
(v) Loans			
(vi) Others			
(c) Current Tax Assets (Net)	7	1,098	551
(d) Other current assets	8	692	694
Total Assets		1,83,170	1,83,510
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	9	2,23,750	2,23,750
(b) Other Equity	10	(49,574)	(50,030)
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings			
(ii) Trade payables			
(iii) Other financial liabilities			
(b) Provisions			
(c) Deferred tax liabilities (Net)			
(d) Other non-current liabilities		-	-
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings			
(ii) Trade payables			
(iii) Other financial liabilities			
(b) Other current liabilities	11	8,994	9,790
(c) Provisions			
(d) Current tax liabilities (Net)			
Total Equity and Liabilities		1,83,170	1,83,510
Significant Accounting Policies	1		
Additional Information	17	-	-
The Note Nos 1 To 17 are Integrated Part of Financial Statements			
In Terms of Our Audit Report			
of Even Date Attached			

For R C Chadda & Co LLP
Chartered Accountants
FRN 003151N

For & On Behalf of Board

Neha Sapra
(Partner)
M. No. 533207

Omprakash R. Pathak
(Managing Director)
Din - 01428320

Ankit Rathi
(Director)
Din - 01379134

Place : New Delhi
Date : 25-05-2019

Sachin Sharma
(CFO)

Surendra Singh Tangar
(Company Secretary)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED YEAR ENDED MARCH 31, 2019

Particulars	Note No.	Figures in Thousand	
		Figures as at the end of March 31, 2019	Figures as at the end of March 31, 2018
INCOME			
Revenue from operations	12	7,240	6,159
Other income	13	-	473
Total income		7,240	6,632
EXPENSES			
Purchase of stock in trade		-	-
Changes in inventories of finished goods, stock in trade and work in progress			
Employee benefit expenses	14	1,925	1,644
Finance costs	15	2	9
Depreciation and amortisation expenses		564	476
Other expenses	16	4,198	19,467
Total expenses		6,690	21,596
Profit before exceptional items and tax			
Exceptional items			
Profit before tax		550	(14,964)
Tax expense			
Current tax			
Prior Period Tax		94	182
Deferred tax			
Total tax expense		94	182
Profit for the year		456	(15,146)
Other comprehensive income			
(a) Items that will not be reclassified to profit and loss			
(i) Fair value of equity instruments through Other Comprehensive Income(FVOCI)"			
(ii) Remeasurement gain/(loss) on defined benefit plans			
(iii) Income tax related to item no (ii) above			
(b) Items that will be reclassified to profit and loss			
(i) Effective portion of gain/(loss) on cash flow hedges			
(ii) Income tax related to item no(i) above			
Other Comprehensive Income,Net of tax			
Total Comprehensive Income for the year			
Earnings per equity share of Rs. 10/- Each			
Basic		0.004	(0.135)
Diluted		0.004	(0.135)

SIGNIFICANT ACCOUNTING POLICIES

1

ADDITIONAL INFORMATION

17

NOTE NO 1 TO 17 ARE INTEGRATED PART OF FINANCIAL STATEMENTS

IN TERMS OF OUR AUDIT REPORT OF EVEN DATE ATTACHED

For R C Chadda & Co LLP
Chartered Accountants
FRN 003151N

For & On Behalf of Board

Neha Sapra
(Partner)
M. No. 533207

Omprakash R. Pathak
(Managing Director)
Din - 01428320

Ankit Rathi
(Director)
Din - 01379134

Place : New Delhi
Date : 25-05-2019

Sachin Sharma
(CFO)

Surendra Singh Tangar
(Company Secretary)

“Statement of changes in Equity for the year ended March 31, 2019”**A: Equity share capital**

Figures in Thousand

Particulars	Note	Amount
As at April 1, 2017		1,11,875
Changes in Equity share capital during the year		-
As at March 31, 2018		1,11,875
Changes in Equity share capital during the year		-
As at March 31, 2019		1,11,875

B: Other equity

Particulars	RESERVE & SURPLUS				
	General Reserve	Security Premium	Profit & Loss Account	Others reserves	Total other equity
As at April 1, 2017	1,000.00	2,48,750.00	(2,84,634.09)	-	(34,884.09)
Profit for the year	-	-	(15,145.73)	-	(15,145.73)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-
Hedging gain/(loss) reclassified to statement of profit & loss	-	-	-	-	-
Transactions with owners in their capacity as owners	-	-	-	-	-
Dividend paid(including dividend distribution tax)	-	-	-	-	-
As at March 31, 2018	1,000.00	2,48,750.00	(2,99,779.82)	-	(50,029.82)
Profit for the year	-	-	456.05	-	456.05
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-
Hedging gain/(loss) reclassified to statement of profit & loss	-	-	-	-	-
Transactions with owners in their capacity as owners	-	-	-	-	-
Dividend paid(including dividend distribution tax)	-	-	-	-	-
As at March 31, 2019	1,000.00	2,48,750.00	(2,99,323.77)	-	(49,573.77)

**IN TERMS OF OUR AUDIT REPORT
OF EVEN DATE ATTACHED**

For R C Chadda & Co LLP
Chartered Accountants
FRN 003151N

For & On Behalf of Board

Neha Sapra
(Partner)
M. No. 533207

Omprakash R. Pathak
(Managing Director)
Din - 01428320

Ankit Rathi
(Director)
Din - 01379134

Place : New Delhi
Date : 25-05-2019

Sachin Sharma
(CFO)

Surendra Singh Tangar
(Company Secretary)

Statement of Cash flows for the year ended March 31, 2019

Particulars	Note	Figures in Thousand	
		2018-19	2017-18
A: CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		550	-14,964
Adjustments for:			
Add:			
Depreciation & ammortisation expenses		564	476
Finance costs		2	
Loss on disposal of property,plant& equipment			
Profit on sale of Investments			7,205
Unrealised exchange rate difference		1,116	-7,283
Less:			
Dividend received			
Interest income from financial assets measured at ammortised costs			
Gain on disposal of equity instruments measured at cost			
Gain on disposal of property, plant & equipment			
Operating profit before change in operating assets & liabilities			
Adjustments for:			
(Increase)/decrease in inventories			
(Increase)/decrease in trade receivables		352	-2,686
(Increase)/decrease in other financial assets			
(Increase)/decrease in other assets		-545	-207
(Increase)/decrease in loans & advances			
Increase/(decrease) in non-current loans		347	3,026
Increase/(decrease) in Current Liabilities			-78,153
Cash Generated from Operations			
Tax Paid			-182
Increase/(decrease) in trade payables			
Increase/(decrease) in other financial liabilities			
Increase/(decrease) in other current liabilities		-796	
Increase/(decrease) in current provisions			
Increase/(decrease) in non-current provisions		-642	-78,202
Cash generated from operations			
Less:			
Income tax paid(net of refund)		-94	
Net cash flow from operating activities	A	380	-85,485
B: CASH FLOW FROM INVESTING ACTIVITIES			
Payment to acquire property,plant & equipments		-150	
Proceeds from disposal of equity instruments measured at FVOCI			
(Increase)/decrease in Investment			
Sale of Investments			87,183
Purchase of Investments		-466	
Proceeds from redemption of Preference shares measured at FVPL			
Sale of Fixed Assets			-3,617
Repayments/(Disbursement) of loans given			
Purchase of Fixed Assets			
Proceeds/(Payment) from fixed deposits			
Proceeds from disposal of property,plant & equipments			
Interest received on financial assets measured at ammortised cost			
Dividend received			
CASH FLOW FROM INVESTING ACTIVITIES	B	-616	83,566

C: CASH FLOW FROM FINANCING ACTIVITIES

Repayments of term loans/non-current borrowings		
Disbursement/ (Repayments) of working capital loans/current borrowings		
Total disbursement/(repayments) of working capital loans/current borrowings		
Payment of unclaimed dividend		
Interest paid		-2
Dividend on Equity shares(including dividend distribution tax)		
Purchase of equity instruments measured at cost		
Proceeds from disposal of equity instruments measured at cost		

CASH FLOW FROM FINANCING ACTIVITIES

	C	-2	
Net increase/(decrease) in cash & cash equivalents	A+B+C	-238	-1,919
Cash & cash equivalents at the beginning of the financial year		747	2,666
Cash & cash equivalents at the end of the financial year		509	747

**IN TERMS OF OUR AUDIT REPORT
OF EVEN DATE ATTACHED**

For R C Chadda & Co LLP
Chartered Accountants
FRN 003151N

Neha Sapra
(Partner)
M. No. 533207

Place : New Delhi
Date : 25-05-2019

For & On Behalf of Board

Omprakash R. Pathak
(Managing Director)
Din - 01428320

Sachin Sharma
(CFO)

Ankit Rathi
(Director)
Din - 01379134

Surendra Singh Tangar
(Company Secretary)

NOTE-1

SIGNIFICANT ACCOUNTING POLICIES AS AT MARCH 31, 2019

1. Basis of preparation :

i) Compliance with IND AS :

The Financial Statements comply in all material respects with Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

ii) Historical cost convention :

The Financial Statements have been prepared on a historical cost basis.

IND AS 01 : Presentation of Financial Statements

IND AS 01 has been applied in preparing and presenting, General purpose financial statement. Appending notes contain information in addition to that, presented in Balance Sheet, Statement of Profit & Loss, Statement of Change in Equity and statement of cash flows. Notes provide narrative description or disaggregation of items presented in these financial statements and information about the items that do not qualify for recognition in financial statement.

Other Comprehensive Income comprises items of income and expenses that are not recognised in profit and loss, as required or permitted by other IND AS. Financial Statements have been prepared on going concern assumption.

IND AS 2 : Inventories

As per Ind-AS 2, Inventories:

Inventory is valued at cost or net realisable value whichever is lower. Cost is arrived at, by First In First

Out formula. Cost comprises all costs of purchase and other costs incurred.

IND AS 07 : Statement of Cash Flows

Statement of cash flow has been prepared in accordance with requirements of IND AS 07 & is presented as an integral part of financial statements for each period for which reporting is required.

This statement reports cash flows during the period classified by operating, investing & financial activities. Cash flows from operating activities is reported using the Indirect method.

IND AS 12 : Income Taxes

The income tax expenses or credit for the period is the tax payable on taxable income of current period based on applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and unused tax losses.

The current income tax charges are calculated on the basis of tax laws enacted or substantively enacted at the end of reported period. The management periodically evaluates position taken in tax returns with respect to situation in which applicable tax regulation is subject to interpretation. It establishes provision where appropriate, on the basis of amounts expected to be paid to tax authorities.

Deferred tax assets are recognised for all deductible temporary difference and unused tax losses only if it is probable that future tax amount will be available to utilize those temporary differences and losses. Current and deferred tax is recognised in profit and losses, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity.

IND AS 16 : Property Plant and Equipments

Free hold land is carried at historical cost.

All other items of property, plant and equipments are stated at acquisition cost, net of accumulated Depreciation and accumulated impairment losses if any. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Subsequent expenses are included in the carrying amount of assets or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repair and maintenance are charged to the statement of profit and loss during the period in which they are incurred. Gains or losses arising on retirement, or disposal of assets are recognised in statement of profit and loss.

Depreciation methods, estimated useful lives and residual value :

Depreciation is provided on the written down value method to allocate the cost of assets, net of the residual values, over their estimated useful lives. Depreciation is calculated on pro-rata basis, both, from the date of acquisition in the year of acquisition and till the date of disposal/retirement, in the year of disposal/retirement.

Assets	Useful Life
Air Conditioner	5 Years
Computer & Accessories	3 Years
Electrical Installation	5 Years
Furniture & Fixtures	10 Years
Bikes	8 Years
Refrigerator	5 Years
Motor Vehicle	8 Years
Premises	60 Years

IND AS 18 : Revenue

Revenue is the gross inflow of economic benefits during the period arising in the course of the ordinary activities of an entity

when those inflows result in increases in equity, other than increases relating to contribution from equity participants.

Revenue is recognised only when it is probable the economic benefits associated with the transaction will flow to the entity.

Exclusion from the definition of revenue are :

- Amount collected on behalf of third parties, viz, sales tax, goods and services tax : These are not economic benefits that will flow to the entity and do not result in equity.
- In agency relationship, amounts collected on behalf of principal.

Entity recognizes revenue on accrual basis, except for dividend which is recognized as and when right to receive payment is established.

IND AS 24 : Related Party Disclosures

Disclosures of related party relationship, transaction and outstanding balances including commitments in the financial statements have been given, where ever required. Items of similar nature have been disclosed in aggregate except when separate disclosure is required for understanding the effects of the same on financial statements of entity.

IND AS 33 : Earning per Share

Basic and diluted earnings per share for profit or loss from continuing operations attributable to the ordinary equity holders of the entity for each class of ordinary shares that has a different right to share in profit, have been disclosed as per the requirements of IND AS 33.

IND AS 37 : Provision, Contingent Liabilities and Contingent Assets

IND AS 37 has been applied in Accounting for provisions, contingent liabilities & contingent assets.

A Provision shall be recognized only when :

- a) An entity has a present obligation due to past events ;
- b) It is probable that an outflow of resources embodying economic benefits will be an outflow of resources embodying economic benefits will be required to settle the obligation, and
- c) A reliable estimate can be made of the amount of obligation. If these conditions are not met, no provision shall be recognized.

A contingent liability is disclosed, as required by paragraph 86, unless the possibility of an outflow of resources embounding economic benefit is remote.

IND AS 108 : Operating Segments

Since the Company has only one segment of business. Therefore the segment reporting is not applicable.

IND AS 109 : Financial Instruments

The company classifies its financial assets in the following measurement categories :

- i. Those to be measured subsequently at fair value (either

through other Comprehensive Income, or through profit or loss)

- ii. Those measured at amortised cost

The classification depends the business model of the entity for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other Comprehensive income for investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

Subsequent measurement :

After initial recognition, financial assets are measured at :

- I. Fair value (either through other Comprehensive Income (FVOCI) or through profit or loss (FVPL) or,
- II. Amortised cost

The company subsequently measures all investment in equity instruments at fair value. The management of the company has elected to present fair value gains or losses on such equity investment in Profit and loss. Dividends from such investments are recognized, as and when right to receive is established. Impairment losses (and reversal of impairment losses) on equity instruments measured at FVTPL (Fair value through profit and loss) are not reported separately from other changes in fair value.

IND AS 113 : Fair Value Measurement

The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell or to transfer the liability would take place between market participants at the measurement date under current market conditions. A fair value measurement requires an entity to determine all the following :

- a) The particular asset or liability that is the subject of the measurement (consistently with its unit of account)
- b) For a non-financial asset, the valuation premise that is appropriate for the measurement (consistently with its highest and best use).
- c) The principal (or most advantageous) market for the asset or liability.
- d) The valuation technique (s) appropriate for the measurement, considering the availability of data to develop input that represent the assumptions that market participants would use when pricing the asset or liability and the level of the fair value hierarchy within which the inputs are categorised.

This IND AS defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Note no. 2
PROPERTY, PLANT & EQUIPMENTS

Particulars	Air Condition	Computer & Accessories	Electrical Installation	Furniture & Fixtures	Bikes	Refrigerator	Motor Vehicle	Premises	Total
Gross carrying value									
Balance as at April 1,2017	2,340	200	1,831	34,026	58	12	225	-	38,692
Additions	-	17	-	-	-	-	-	27,091	27,108
Disposals	-	-	-	-	-	-	-	-	-
Balance as at March 31,2018	2,340	217	1,831	34,026	58	12	225	27,091	65,800
Additions	-	150	-	-	-	-	-	-	150
Disposals	-	-	-	-	-	-	-	-	-
Balance as at March 31,2019	2,340	367	1,831	34,026	58	12	225	27,091	65,950
Depreciation/Ammortisation									
Balance as at April 1,2017	2,223	171	1,739	33,430	27	5	192	-	37,787
Charge	-	24	-	-	15	2	21	7,618	7,680
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
Balance as at March 31,2018	2,223	195	1,739	33,430	42	7	213	7,618	45,467
Charge	-	39	-	-	6	3	-	516	564
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
Balance as at March 31,2019	2,223	234	1,739	33,430	48	10	213	8,134	46,031
Net carrying value as at April 1, 2017	117	29	92	596	31	7	33	-	905
Net carrying value as at March 31, 2018	117	23	92	596	16	5	12	19,473	20,333
Net carrying value as at March 31, 2019	117	133	92	596	10	2	12	18,957	19,919

Note:

- Property, plant & equipments classified & presented above do not carry any kind of contractual obligation.
- During the Financial Year 2015-16 Management has decided that premises which was part of fixed assets till 31.03.2015 was considered as investment in property and accordingly shifted out from the tangible fixed assets schedule. During Financial Year 2017-18 the object clause of the company has been changed and as per new object where renting of premises is being shifted to the main business. In view of this premises which was considered as investment in property has been again shifted to the schedule property, plant and equipment & the original value and Depreciation charged upto 31st March 2015 has been considered as addition during the Financial Year 2017-18.
- This Include Rs 7204/- depreciation charged upto previous year ending as on 31.03.2015. And remaining amount Rs 476/- is depreciation for the year 2017-18.

ANNUAL REPORT 2018-2019

Figures in Thousand

	AS AT 31ST MARCH, 2019	AS AT 31ST MARCH, 2018
NOTE-3		
FINANCIAL ASSETS		
INVESTMENT		
INVESTMENT IN EQUITY INSTRUMENTS		
QUOTED :		
EQUITY SHARES OF STG LIFECARELTD	1,050	1,050
1000000 Equity shares of Rs 10/- each (Pr. Year 1000000 Equity shares of Rs 10/- each)		
EQUITY SHARES OF LANCO INFRATECH LTD	108	108
99000 Equity shares of Rs 1/- each (Pr. Year 99000 Equity shares of Rs 1/- each)		
EQUITY SHARES OF STANPACKS (INDIA) LTD	325	256
55964 Equity shares of Rs 10/- each (Pr. Year 43140 Equity shares of Rs 10/- each)		
EQUITY SHARES OF VBC FERRO ALLOY LTD	370	370
9985 Equity shares of Rs 10/- each (Pr. Year 9985 Equity shares of Rs 10/- each)		
EQUITY SHARES OF WELCURE DRUGS PHARMACEUTICALS LTD	699	699
495475 Equity shares of Rs 10/- each (Pr. Year 495475 Equity shares of Rs 10/- each)		
EQUITY SHARES OF SHRI LAKSHMI COTSYN LTD	579	579
319735 Equity shares of Rs 10/- each (Pr. Year 319735 Equity shares of Rs 10/- each)		
UNQUOTED :		
EQUITY SHARES OF MILI INVESTMENT & TRADERS PVT. LTD.	5	5
500 Equity shares of Rs 10/- each (Pr. Year 500 Equity shares of Rs 10/- each)		
EQUITY SHARES OF UJJWAL INFRASTRUCTURE PVT LTD.	45	-
4500 Equity shares of Rs 10/- each		
EQUITY SHARES OF SFS GLOBAL LTD.	1,500	1,500
3000 Equity shares of Rs 10/- each (Pr. Year 3000 Equity shares of Rs 10/- each)		
EQUITY SHARES OF ALPS ENERGY PVT. LTD.	352	-
370000 Equity shares of Rs 10/- each)		
PREFERENCE SHARES OF UJJWAL LTD		
150000 Preference Shares of Rs 100/- each (PY: 150000 Preference Shares Partly Paid Up)	15,000	15,000
(ASSOCIATE COMPANY)		
	20,033	19,567
INVESTMENTS IN PRUIENT SOLUTIONS LLP	50	50
Details of Partners :		
Bits Ltd. : 50%		
Vizwise Commerece Pvt Ltd : 50%	20,083	19,617

Figures in Thousand

	AS AT 31ST MARCH, 2019	AS AT 31ST MARCH, 2018
NOTE-4		
LONG TERM LOANS & ADVANCES		
LOANS & ADVANCES TO RELATED PARTIES		
- UNSECURED CONSIDERED GOOD	77,862	78,186
OTHER SHORT TERM LOANS & ADVANCES		
- UNSECURED CONSIDERED GOOD	30,256	30,279
	1,08,118	1,08,464
LOANS & ADVANCES STATED ABOVE INCLUDES AMOUNTS DUE BY:		
-PRIVATE COMPANIES IN WHICH DIRECTOR IS A DIRECTOR	77,862	78,186
NOTE-5		
TRADE RECIEVABLES		
TRADE RECIEVABLES OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS		
FROM THE DATE THEY ARE DUE FOR PAYMENT		
- UNSECURED CONSIDERED GOOD	32,751	33,104
	32,751	33,104
NOTE-6		
CASH & CASH EQUIVALENTS		
CASH IN HAND	478	527
BALANCE WITH BANKS:		
IN CURRENT ACCOUNT	31	220
	509	747
NOTE-7		
CURRENT TAX ASSETS (NET)		
TAX DEDUCTED AT SOURCE	1,098	551
	1,098	551
NOTE-8		
OTHER CURRENT ASSETS		
DEPOSITS	478	694
AMOUNT RECEIVABLE	214	-
	692	694
NOTE - 9		
EQUITY SHARE CAPITAL		
<u>AUTHORIZED SHARE CAPITAL</u>		
201250000 EQUITY SHARES OF RS. 2/-EACH	4,02,500	4,02,500
(PR. YEAR 201250000 EQUITY SHARES OF RS. 2/-EACH)		
<u>ISSUED, SUBSCRIBED & PAID UP</u>		
111875000 EQUITY SHARES OF RS. 2/-EACH	2,23,750	2,23,750
(PR. YEAR 111875000 EQUITY SHARES OF RS. 2/-EACH)		
	2,23,750	2,23,750

DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF PAID UP EQUITY SHARE CAPITAL

SHAREHOLDER		31.03.2019	31.03.2018	AS AT 31.03.2019	AS AT 31.03.2018
		NO. OF SHARES	NO. OF SHARES	PERCENTAGE	PERCENTAGE
VIZWISE COMMERCE PRIVATE LIMITED		72799186	72799186	65.07	65.07

SHARE RECONCILIATION STATEMENT

	AS AT 31.03.2019	AS AT 31.03.2018
PARTICULARS	EQUITY	EQUITY
SHARES OUTSTANDING AT THE BEGINNING OF THE YEAR	11,18,75,000	11,18,75,000
SHARES ISSUED DURING THE YEAR	-	-
SHARES BOUGHT BACK DURING THE YEAR	-	-
SHARES OUTSTANDING AT THE END OF THE YEAR	11,18,75,000	11,18,75,000

PARTICULAR	2018-19	2017-18	2016-17	2015-16	2014-15
Equity Shares :					
Fully Paid Up pursuant to Contract Without Payment being Received in Cash	-	-	-	-	-
Fully Paid Up By way of Bonus	-	-	-	-	-
Shares bought Back	-	-	-	-	-

Figures in Thousand

	AS AT 31ST MARCH, 2019	AS AT 31ST MARCH, 2018
--	---------------------------	---------------------------

NOTE - 10

RESERVES AND SURPLUS

SHARE PREMIUM	2,48,750	2,48,750
GENERAL RESERVE	1,000	1,000
PROFIT & LOSS ACCOUNT		
OPENING BALANCE	(2,99,780)	(2,84,634)
ADD: PROFIT/(LOSS) OF CURRENT YEAR	456	(15,146)
CLOSING BALANCE	(2,99,324)	(2,99,780)
	(49,574)	(50,030)

NOTE -11

OTHER CURRENT LIABILITIES

OTHER LIABILITIES	8,972	9,764
AUDIT FEES PAYABLE	22	26
	8,994	9,790

NOTE-12

REVENUE FROM OPERATIONS

RENT	7,240	6,159
	7,240	6,159

Figures in Thousand

	AS AT 31ST MARCH, 2019	AS AT 31ST MARCH, 2018
NOTE-13		
OTHER INCOME		
INTEREST ON INCOME TAX REFUND	-	-
LONG TERM CAPITAL GAIN	-	459
INTEREST ON FDR	-	13
	-	473
NOTE-14		
EMPLOYEE BENEFIT EXPENSES		
SALARY & ALLOWANCES	1,228	1,003
DIRECTOR SALARY	575	552
STAFF WELFARE	36	18
BONUS	86	72
	1,925	1,644
NOTE-15		
FINANCIAL COSTS		
BANK CHARGES	2	5
INTEREST ON SERVICE TAX	-	2
INTEREST ON TDS	0	2
	2	9
NOTE-16		
OTHER EXPENSES		
CONVEYANCE	85	80
ELECTRICITY EXPENSES	30	86
POSTAGE & COURIER	48	44
MEETING EXPENSES	10	5
COMMISSION	34	180
CDSL	85	86
WEBSITE EXPENSES	1	-
RENT PAID	684	640
RTA EXPENSES	1	1
SERVICE TAX /IGST EXPENSES	-	70
TOUR & TRAVELLING EXP.	110	102
STT PAID	-	2
LISTING FEES	250	288
OFFICE EXPENSES	64	11
AUDITORS REMUNERATION	22	26
LEGAL & PROFESSIONAL CHARGES	686	1,060
MISCELLANEOUS EXPENSES	-	14
PRINTING & STATIONERY	161	83
PUBLISHING FEES	57	41
REPAIR & MAINTAINENCE	385	335
PROPERTY TAX	985	689

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Figures in Thousand

	AS AT 31ST MARCH, 2019	AS AT 31ST MARCH, 2018
INSURANCE CHARGES	2	-
FILING FEES	9	8
TELEPHONE EXP.	11	14
EDP EXP.	2	5
SITING FEES	432	552
DIWALI EXPENSES	7	36
DONATION	-	89
DP CHARGES	-	1
E VOTING CHARGES	29	31
LOSS ON INVESTMENTS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS	-	7,335
SEWERAGE & WATER TAX	7	54
LOSS ON SALE OF INVESTMENT	-	330
SUNDARY BALANCE W/OFF	-	7,172
	4,198	19,467

NOTE-17

ADDITIONAL INFORMATION as at MARCH 31, 2019 :

- 1) The figures of the previous year have been regrouped /recast wherever necessary to correspond with current year figures.
 - 2) In the opinion of the Board and to the best of its knowledge, the value on realization of Current Assets, Loans and Advances, in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet except stated other wise elsewhere.
- a) Remuneration to Auditor's :-

Particulars	Current Year	Previous Year
	2018-19	2017-18
Statutory Audit Fee	Rs. 22.00/-	Rs. 25.96/-
Certification	3.5	NIL
Total	25.50/-	25.96/-

- b) Director's Remuneration

Particulars	Current Year	Previous Year
	2018-19	2017-18
Directors Remuneration	Rs. 577.40/-	Rs. 552.20/-
Bonus	Rs. 24.25/-	Rs. 23.10/-
Total	Rs. 601.65/-	Rs. 575.30/-

3) Information pursuant to part II of the Companies Act 2013:

- i) No of employees who are in receipt of remuneration of Rs. 10200/- or more if employed full year or Rs. 850/- or more per month if employed for part of the year. NIL (Previous year nil)
- ii) Earning in Foreign Currency NIL (Previous year nil)
- iii) Expenditure in Foreign Currency NIL (Previous year nil)

4) According to the information available with the company, there is no amount due to Micro, Small & Medium Enterprises as at 31st March, 2019.

5) Related Party Relationship

A. Holding Company

Vizwise Commerce Pvt Ltd

B. Associates :

Pan India Corporation Ltd .

Ujjwal Ltd

Prurient IT Solutions LLP

SPG Finvest Pvt. Ltd.

Tactfull Investment Ltd.

Ujjwal Infrastructure Pvt. Ltd.

C. Key Management Personnel :

Omprakash Pathak

Ankit Rathi

D. Related Party Transactions

Particulars	Opening Balance	Recd.	Paid	Closing Balance	Maximum Out standing
Vizwise Commerce Pvt Ltd	78185.57/-Dr	323.34	Nil	77862.25 Dr	78185.57/-
Ujjwal Ltd	6255.00/- Dr	Nil	Nil	6255.00/-Dr	6255.00/-
Vizwise Commerce Pvt Ltd *(Purchase of Shares)	Nil	*68.22	68.22	Nil	68.22/-

Payments to Director Rs. 601.65/- Previous Year Rs. 575.30/-.

6. Segment Reporting IND AS 108

In accordance with IND AS 108 on Segment Reporting, the Company has only one reportable business segment.

Hence, segment reporting is not applicable to the company.

7. Loans and Advances and Sundry Debtors and Current Liabilities are subject to confirmation.

8. Accounting for taxes on Income :

In accordance with IND AS 12 deferred taxes assets has emerged during the year on depreciation and other losses which has not been recognised as there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

9) Note 1 to 17 forms an integral part of the accounts for the year ended March 31, 2019.

10) All the figures are in thousands.

As per our audit report of even date attached

For R C CHADDA & CO LLP

Chartered Accountants

FRNo.: 003151N

For & On behalf of Board of Directors

NEHA SAPRA

(Partner)

Membership No. 533207

Omprakash R. Pathak

(Managing Director)

DIN-01428320

Ankit Rathi

(Director)

DIN-01379134

Place: New Delhi

Date: 25.05.2019

Sachin Sharma

CFO

Surendra Singh Tangar

(Company Secretary)

INDEPENDENT AUDITOR'S REPORT**To the Members of BITS LIMITED****Report on the Audit of the Consolidated Financial Statements****Opinion**

We have audited the accompanying consolidated financial statements of Bits Limited (hereinafter referred to as the 'Holding Company') and its associates, which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated statement of Profit and Loss, (the consolidated statement of changes in equity) and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 their consolidated state of affairs of the Company as at March 31, 2019, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Managements' Responsibilities for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and

fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. Also Refer Annexure A" to this audit report.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 of the aforesaid consolidated financial statements.

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS 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 of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company and its associates incorporated in India and the reports of the statutory auditors of its associates companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" which is based on the auditor's reports of the Company and its associate's companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
- g) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigation which have impact on its financial position in its financial statements.
 - The company and its associate did not have any long-term contracts including derivative contracts for which there were any material

foreseeable losses.

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

For R C CHADDA & CO. LLP.
CHARTERED ACCOUNTANTS
 (Firm's Registration No. 003151N)

(NEHA SAPRA)
 (PARTNER)
 M. No. 533207

Place: New Delhi
 Date : 26.08.2019

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

Report on the Auditor's responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as

a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communica-

tion.

For R C CHADDA & CO. LLP.
CHARTERED ACCOUNTANTS
 (Firm's Registration No. 003151N)

(NEHA SAPRA)
 (PARTNER)
 M. No. 533207
 Place: New Delhi
 Date : 26.08.2019

"ANNEXURE B" TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Bits Limited (hereinafter referred to as "Company") and its associate company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

Management's Responsibility for Internal Financial Controls The Board of Directors of the Company and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its associate company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued

by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with

authorities of management and directors of the company; and

- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of the internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of the changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R C CHADDA & CO. LLP.
CHARTERED ACCOUNTANTS
 (Firm's Registration No. 003151N)

(NEHA SAPRA)
 (PARTNER)
 M. No. 533207

Place: New Delhi
 Date :26.08.2019

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CONSOLIDATED BALANCE SHEET AS AT 31ST, MARCH 2019

Figures in Thousand

Particulars	Note No.	Figures as at March 31, 2019
ASSETS		
Non-current assets		
(a) Property, Plant and equipments	2	19,919
(b) Investment property		
(c) Other Intangible assets		
(d) Intangible assets under development		
(e) Financial assets		
(i) Investments	3	20,038
(iii) Loans	4	1,08,118
(ii) Trade Receivables	5	32,751
(iv) Others		
(i) Deferred tax assets(Net)		
(j) Other non-current assets		
Current assets		
(a) Financial Assets		
(i) Investments		
(ii) Trade Receivables		
(iii) Cash and cash equivalents	6	509
(iv) Bank balances other than (iii) above		
(v) Loans		
(vi) Others		
(c) Current Tax Assets (Net)	7	1,098
(d) Other current assets	8	692
Total Assets		1,83,125
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	9	2,23,750
(b) Other Equity	10	(49,619)
LIABILITIES		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings		
(ii) Trade payables		
(iii) Other financial liabilities		
(b) Provisions		
(c) Deferred tax liabilities (Net)		
(d) Other non-current liabilities		-
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings		
(ii) Trade payables		
(iii) Other financial liabilities		
(b) Other current liabilities	11	8,994
(c) Provisions		
(d) Current tax liabilities (Net)		
Total Equity and Liabilities		1,83,125

Significant accounting policies

1

additional information

17

the note nos 1 to 17 are integrated part of Financial Statements

In Terms of our audit report of even date attached

For R C Chadda & Co LLP
Chartered Accountants
FRN 003151N

For & On Behalf Of Board

Neha Sapra
(Partner)
M. No. 533207

Omprakash R. Pathak
(Managing Director)
Din - 01428320

Ankit Rathi
(Director)
Din - 01379134

Place : New Delhi
Date : 26-08-2019

Sachin Sharma
(CFO)

Surendra Singh Tangar
(Company Secretary)

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED YEAR ENDED MARCH 31, 2019

		Figures in Thousand
Particulars	Note No.	Figures as at the end of March 31, 2019
INCOME		
Revenue from operations	12	7,240
Other income	13	-
Total income		7,240
EXPENSES		
Purchase of stock in trade		-
Changes in inventories of finished goods, stock in trade and work in progress		
Employee benefit expenses	14	1,925
Finance costs	15	2
Depreciation and amortisation expenses		564
Other expenses	16	4,198
Total expenses		6,690
Profit before share of profit/(loss) of an associate		550
Share of profit/(loss) of an associate		(45)
Profit before exceptional items and tax		505
Exceptional items		
Profit before tax		505
Tax expense		
Current tax		
Prior Period Tax		94
Deferred tax		
Total tax expense		94
Profit for the year		411
Other comprehensive income		
(a) Items that will not be reclassified to profit and loss		
“(i) Fair value of equity instruments through Other Comprehensive Income(FVOCI)”		
(ii) Remeasurement gain/(loss) on defined benefit plans		
(iii) Income tax related to item no (ii) above		
(b) Items that will be reclassified to profit and loss		
(i) Effective portion of gain/(loss) on cash flow hedges		
(ii) Income tax related to item no(i) above		
Other Comprehensive Income, Net of tax		
Total Comprehensive Income for the year		
Earnings per equity share of Rs. 10/- Each		
Basic		0.004
Diluted		0.004

Significant accounting policies
additional information
Note No 1 to 17 are integrated part of Financial Statements
In terms of our Audit Report
of even date attached

For R C Chadda & Co LLP
Chartered Accountants
FRN 003151N

For & On Behalf Of Board

Neha Sapra
(Partner)
M. No. 533207

Omprakash R. Pathak
(Managing Director)
Din - 01428320

Ankit Rathi
(Director)
Din - 01379134

Place : New Delhi
Date : 26-08-2019

Sachin Sharma
(CFO)

Surendra Singh Tangar
(Company Secretary)

“Consolidate Statement of changes in Equity for the year ended March 31, 2019**A: Equity share capital**

Figures in Thousand

Particulars	Note	Amount
As at April 1,2017		1,11,875
Changes in Equity share capital during the year		-
As at March 31,2018		1,11,875
Changes in Equity share capital during the year		-
As at March31,2019		1,11,875

B: Other equity

Particulars	RESERVE & SURPLUS				
	General Reserve	Security Premium	Profit & Loss Account	Others reserves	Total other equity
As at April 1, 2017	1,000.00	2,48,750.00	(2,84,634.09)	-	(34,884.09)
Profit for the year	-	-	(15,145.73)	-	(15,145.73)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-
Hedging gain/(loss) reclassified to statement of profit & loss	-	-	-	-	-
Transactions with owners in their capacity as owners	-	-	-	-	-
Dividend paid(including dividend distribution tax)	-	-	-	-	-
As at March 31, 2018	1,000.00	2,48,750.00	(2,99,779.82)	-	(50,029.82)
Profit for the year	-	-	411.05	-	411.05
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-
Hedging gain/(loss) reclassified to statement of profit & loss	-	-	-	-	-
Transactions with owners in their capacity as owners	-	-	-	-	-
Dividend paid(including dividend distribution tax)	-	-	-	-	-
As at March 31,2019	1,000.00	2,48,750.00	(2,99,368.77)	-	(49,618.77)

In terms of our Audit Report
of even date attached

For R C Chadda & Co LLP
Chartered Accountants
FRN 003151N

Neha Sapra
(Partner)
M. No. 533207

Place : New Delhi
Date : 26-08-2019

For & On Behalf of Board

Omprakash R. Pathak
(Managing Director)
Din - 01428320

Sachin Sharma
(CFO)

Ankit Rathi
(Director)
Din - 01379134

Surendra Singh Tangar
(Company Secretary)

Consolidated Statement of Cash flows for the year ended March 31, 2019

Figures in Thousand

Particulars	Note	2018-19
A: CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax		505
Adjustments for:		
Add:		
Depreciation & ammortisation expenses		564
Finance costs		2
Loss on disposal of property,plant& equipment		
Share in net profit/(loss) of associate		45
Profit on sale of Investments		
Unrealised exchange rate difference		1,116
Less:		
Dividend received		
Interest income from financial assets measured at ammortised costs		
Gain on disposal of equity instruments measured at cost		
Gain on disposal of property, plant & equipment		
Operating profit before change in operating assets & liabilities		
Adjustments for:		
(Increase)/decrease in inventories		
(Increase)/decrease in trade receivables		352
(Increase)/decrease in other financial assets		
(Increase)/decrease in other assets		-545
(Increase)/decrease in loans & advances		
Increase/(decrease) in non-current loans		347
Increase/(decrease) in Current Liabilities		
Cash Generated from Operations		
Tax Paid		
Increase/(decrease) in trade payables		
Increase/(decrease) in other financial liabilities		
Increase/(decrease) in other current liabilities		-796
Increase/(decrease) in current provisions		
Increase/(decrease) in non-current provisions		-642
Cash generated from operations		
Less:		
Income tax paid(net of refund)		-94
Net cash flow from operating activities	A	380
B: CASH FLOW FROM INVESTING ACTIVITIES		
Payment to acquire property,plant & equipments		-150
Proceeds from disposal of equity instruments measured at FVOCI		
(Increase)/decrease in Investment		
Sale of Investments		
Purchase of Investments		-466
Proceeds from redemption of Preference shares measured at FVPL		
Sale of Fixed Assets		
Repayments/(Disbursement) of loans given		
Purchase of Fixed Assets		
Proceeds/(Payment) from fixed deposits		
Proceeds from disposal of property,plant & equipments		
Interest received on financial assets measured at ammortised cost		
Dividend received		

ANNUAL REPORT 2018-2019

CASH FLOW FROM INVESTING ACTIVITIES	B	-616
C: CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of term loans/non-current borrowings		
Disbursement/ (Repayments) of working capital loans/current borrowings		
Total disbursement/(repayments) of working capital loans/current borrowings		
Payment of unclaimed dividend		.
Interest paid		-2
Dividend on Equity shares(including dividend distribution tax)		
Purchase of equity instruments measured at cost		
Proceeds from disposal of equity instruments measured at cost		
CASH FLOW FROM FINANCING ACTIVITIES	C	-2
Net increase/(decrease) in cash & cash equivalents	A+B+C	-238
Cash & cash equivalents at the beginning of the financial year		747
Cash & cash equivalents at the end of the financial year		509

In terms of our Audit Report
of even date attached
Note No 1 To 17 are Integrated part of Financial Statements

For R C Chadda & Co LLP
Chartered Accountants
FRN 003151N

Neha Sapra
(Partner)
M. No. 533207

Place : New Delhi
Date : 26-08-2019

For & On Behalf of Board

Omprakash R. Pathak
(Managing Director)
Din - 01428320

Sachin Sharma
(CFO)

Ankit Rathi
(Director)
Din - 01379134

Surendra Singh Tangar
(Company Secretary)

Notes to the Consolidated Financial Statements

NOTE-1

SIGNIFICANT ACCOUNTING POLICIES AS AT MARCH 31, 2019

1. Basis of preparation:

i) Compliance with IND AS :

The consolidated financial statements comply in all material respects with Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

ii) Historical cost convention:

The consolidated financial statements have been prepared on a historical cost basis.

IND AS 01: Presentation of consolidated financial statements

IND AS 01 has been applied in preparing and presenting, General purpose financial statement. Appending notes contain information in addition to that, presented in Consolidated Balance Sheet, Consolidated Statement of Profit & Loss, Consolidated Statement of Change in Equity and Consolidated statement of cash flows. Notes provide narrative description or disaggregation of items presented in these Consolidated financial statements and information about the items that do not qualify for recognition in financial statement.

Other Comprehensive Income comprises items of income and expenses that are not recognised in profit and loss, as required or permitted by other IND AS. Financial Statements have been prepared on going concern assumption.

IND AS 2 : Inventories

As per Ind-AS 2, Inventories:

Inventory is valued at cost or net realisable value whichever is lower. Cost is arrived at, by First In First

Out formula. Cost comprises all costs of purchase and other costs incurred.

IND AS 07 : Statement of Cash Flows

Statement of cash flow has been prepared in accordance with requirements of IND AS 07 & is presented as an integral part of financial statements for each period for which reporting is required.

This statement reports cash flows during the period classified by operating, investing & financial activities. Cash flows from operating activities is reported using the Indirect method.

IND AS 12 : Income Taxes

The income tax expenses or credit for the period is the tax payable on taxable income of current period based

on applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and unused tax losses.

The current income tax charges are calculated on the basis of tax laws enacted or substantively enacted at the end of reported period. The management periodically evaluates position taken in tax returns with respect to situation in which applicable tax regulation is subject to interpretation. It establishes provision where appropriate, on the basis of amounts expected to be paid to tax authorities.

Deferred tax assets are recognised for all deductible temporary difference and unused tax losses only if it is probable that future tax amount will be available to utilize those temporary differences and losses. Current and deferred tax is recognised in profit and losses, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity.

IND AS 16 : Property Plant and Equipments

Free hold land is carried at historical cost.

All other items of property, plant and equipments are stated at acquisition cost, net of accumulated Depreciation and accumulated impairment losses if any. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Subsequent expenses are included in the carrying amount of assets or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repair and maintenance are charged to the statement of profit and loss during the period in which they are incurred. Gains or losses arising on retirement, or disposal of assets are recognised in statement of profit and loss.

Depreciation methods, estimated useful lives and residual value :

Depreciation is provided on the written down value method to allocate the cost of assets, net of the residual values, over their estimated useful lives. Depreciation is calculated on pro-rata basis, both, from the date of acquisition in the year of acquisition and till the date of disposal/retirement, in the year of disposal/retirement.

Assets	Useful Life
Air Conditioner	5 Years
Computer & Accessories	3 Years
Electrical Installation	5 Years
Furniture & Fixtures	10 Years
Bikes	8 Years
Refrigerator	5 Years
Motor Vehicle	8 Years
Premises	60 Years

IND AS 18 : Revenue

Revenue is the gross inflow of economic benefits during the period arising in the course of the ordinary activities of an entity when those inflows result in increases in equity, other than increases relating to contribution from equity participants.

Revenue is recognised only when it is probable the economic benefits associated with the transaction will flow to the entity.

Exclusion from the definition of revenue are :

- Amount collected on behalf of third parties, viz, sales tax, goods and services tax : These are not economic benefits that will flow to the entity and do not result in equity.
- In agency relationship, amounts collected on behalf of principal.

Entity recognizes revenue on accrual basis, except for dividend which is recognized as and when right to receive payment is established.

IND AS 24 : Related Party Disclosures

Disclosures of related party relationship, transaction and outstanding balances including commitments in the financial statements have been given, where ever required. Items of similar nature have been disclosed in aggregate except when separate disclosure is required for understanding the effects of the same on financial statements of entity.

IND AS 33 : Earning per Share

Basic and diluted earnings per share for profit or loss from continuing operations attributable to the ordinary equity holders of the entity for each class of ordinary shares that has a different right to share in profit, have been disclosed as per the requirements of IND AS 33.

IND AS 37 : Provision, Contingent Liabilities and Contingent Assets

IND AS 37 has been applied in Accounting for provisions, contingent liabilities & contingent assets.

A Provision shall be recognized only when :

- a) An entity has a present obligation due to past events ;
- b) It is probable that an outflow of resources embodying economic benefits will be an outflow of resources embodying economic benefits will be required to settle the obligation, and
- c) A reliable estimate can be made of the amount of obligation. If these conditions are not met, no provision shall be recognized.

A contingent liability is disclosed, as required by paragraph 86, unless the possibility of an outflow of resources embodying economic benefit is remote.

IND AS 108 : Operating Segments

Since the Company has only one segment of business. Therefore the segment reporting is not applicable.

IND AS 109 : Financial Instruments

The company classifies its financial assets in the following measurement categories :

- i. Those to be measured subsequently at fair value (either through other Comprehensive Income, or through profit or loss)
- ii. Those measured at amortised cost

The classification depends the business model of the entity for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other Comprehensive income for investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

Subsequent measurement :

After initial recognition, financial assets are measured at :

- I. Fair value (either through other Comprehensive Income (FVOCI) or through profit or loss (FVPL) or,
- II. Amortised cost

The company subsequently measures all investment in equity instruments at fair value. The management of the company has elected to present fair value gains or losses on such equity investment in Profit and loss. Dividends from such investments are recognized, as and when right to receive is established. Impairment losses (and reversal of impairment losses) on equity instruments measured at FVTPL (Fair value through profit and loss) are not reported separately from other changes in fair value.

IND AS 113 : Fair Value Measurement

The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell or to transfer the liability would take place between market participants at the measurement date under current market conditions. A fair value measurement requires an entity to determine all the following :

- a) The particular asset or liability that is the subject of the measurement (consistently with its unit of

account)

- b) For a non-financial asset, the valuation premise that is appropriate for the measurement (consistently with its highest and best use).
- c) The principal (or most advantageous) market for the asset or liability.
- d) The valuation technique (s) appropriate for the measurement, considering the availability of data to develop input that represent the assumptions that market participants would use when pricing the asset or liability and the level of the fair value hierarchy within which the inputs are categorised.

This IND AS defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Principal of Consolidation

The consolidated financial statements relate to Bits Limited ("the Company") and its associates i.e. Ujjwal Infrastructure Private Limited. The consolidated financial statements have been prepared on the following basis.

Investment in Associate Companies has been accounted under the equity method as per Indian Accounting Standard (Ind-AS) 28 - "Investments in Associates and Joint Ventures".

As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements.

Investments other than in subsidiaries and associate have been accounted as per Indian Accounting Standard (Ind-AS) -109 Financial Instruments

Note no. 2

PROPERTY, PLANT & EQUIPMENTS

Particulars	Air Condition	Computer & Accessories	Electrical Installation	Furniture & Fixtures	Bikes	Refrigerator	Motor Vehicle	Premises	Total
Gross carrying value									
Balance as at April 1,2017	2,340	200	1,831	34,026	58	12	225	-	38,692
Additions	-	17	-	-	-	-	-	27,091	27,108
Disposals	-	-	-	-	-	-	-	-	-
Balance as at March 31,2018	2,340	217	1,831	34,026	58	12	225	27,091	65,800
Additions	-	150	-	-	-	-	-	-	150
Disposals	-	-	-	-	-	-	-	-	-
Balance as at March 31,2019	2,340	367	1,831	34,026	58	12	225	27,091	65,950
Depreciation/Ammortisation									
Balance as at April 1,2017	2,223	171	1,739	33,430	27	5	192	-	37,787
Charge	-	24	-	-	15	2	21	7,618	7,680
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
Balance as at March 31,2018	2,223	195	1,739	33,430	42	7	213	7,618	45,467
Charge	-	39	-	-	6	3	-	516	564
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
Balance as at March 31,2019	2,223	234	1,739	33,430	48	10	213	8,134	46,031
Net carrying value as at April 1, 2017	117	29	92	596	31	7	33	-	905
Net carrying value as at March 31, 2018	117	23	92	596	16	5	12	19,473	20,333
Net carrying value as at March 31, 2019	117	133	92	596	10	2	12	18,957	19,919

Note:

- Property, plant & equipments classified & presented above do not carry any kind of contractual obligation.
- During the Financial Year 2015-16 Management has decided that premises which was part of fixed assets till 31.03.2015 was considered as investment in property and accordingly shifted out from the tangible fixed assets schedule. During Financial Year 2017-18 the object clause of the company has been changed and as per new object where renting of premises is being shifted to the main business. In view of this premises which was considered as investment in property has been again shifted to the schedule property, plant and equipment & the original value and Depreciation charged upto 31st March 2015 has been considered as addition during the Financial Year 2017-18.
- This Include Rs 7204/- depreciation charged upto previous year ending as on 31.03.2015. And remaining amount Rs 476/- is depreciation for the year 2017-18.

CONSOLIDATED NOTES TO THE ACCOUNTS

Figures as at March 31, 2019

NOTE-3

FINANCIAL ASSETS

INVESTMENT IN ASSOCIATES:

UNQUOTED :

EQUITY SHARES OF UJJWAL INFRASTRUCTURE PVT LTD. -

4500 Equity shares of Rs 10/- each

OTHER INVESTMENTS

INVESTMENT IN EQUITY INSTRUMENTS

QUOTED :

EQUITY SHARES OF STG LIFECARELTD 1,050

1000000 Equity shares of Rs 10/- each

(Pr. Year 1000000 Equity shares of Rs 10/- each)

EQUITY SHARES OF LANCO INFRATECH LTD 108

99000 Equity shares of Rs 1/- each

(Pr. Year 99000 Equity shares of Rs 1/- each)

EQUITY SHARES OF STANPACKS (INDIA) LTD 325

55964 Equity shares of Rs 10/- each

(Pr. Year 43140 Equity shares of Rs 10/- each)

EQUITY SHARES OF VBC FERRO ALLOY LTD 370

9985 Equity shares of Rs 10/- each

(Pr. Year 9985 Equity shares of Rs 10/- each)

EQUITY SHARES OF WELCURE DRUGS PHARMACEUTICALS LTD 699

495475 Equity shares of Rs 10/- each

(Pr. Year 495475 Equity shares of Rs 10/- each)

EQUITY SHARES OF SHRI LAKSHMI COTSYN LTD 579

319735 Equity shares of Rs 10/- each

(Pr. Year 319735 Equity shares of Rs 10/- each)

UNQUOTED :

EQUITY SHARES OF MILI INVESTMENT & TRADERS PVT. LTD. 5

500 Equity shares of Rs 10/- each

(Pr. Year 500 Equity shares of Rs 10/- each)

EQUITY SHARES OF SFS GLOBAL LTD. 1,500

3000 Equity shares of Rs 10/- each

(Pr. Year 3000 Equity shares of Rs 10/- each)

EQUITY SHARES OF ALPS ENERGY PVT. LTD. 352

370000 Equity shares of Rs 10/- each)

PREFERENCE SHARES OF UJJWAL LTD

150000 Preference Shares of Rs 100/- each

(PY: 150000 Preference Shares Partly Paid Up)

15,000

(ASSOCIATE COMPANY)

19,988

INVESTMENTS IN PRUIENT SOLUTIONS LLP

50

Details of Partners :

Bits Ltd. : 50%

Vizwise Commerece Pvt Ltd : 50%

20,038

CONSOLIDATED NOTES TO THE ACCOUNTS

Figures as at March 31, 2019

NOTE-4**LONG TERM LOANS & ADVANCES**

LOANS & ADVANCES TO RELATED PARTIES

- UNSECURED CONSIDERED GOOD	77,862
-----------------------------	--------

OTHER SHORT TERM LOANS & ADVANCES

- UNSECURED CONSIDERED GOOD	30,256
-----------------------------	--------

	1,08,118
--	----------

LOANS & ADVANCES STATED ABOVE INCLUDES AMOUNTS DUE BY:

-PRIVATE COMPANIES IN WHICH DIRECTOR IS A DIRECTOR	77,862
--	--------

NOTE-5

TRADE RECEIVABLES

TRADE RECEIVABLES OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS

FROM THE DATE THEY ARE DUE FOR PAYMENT

- UNSECURED CONSIDERED GOOD	32,751
-----------------------------	--------

	32,751
--	--------

NOTE-6

CASH & CASH EQUIVALENTS

CASH IN HAND	478
--------------	-----

BALANCE WITH BANKS:

IN CURRENT ACCOUNT	31
--------------------	----

	509
--	-----

NOTE-7

CURRENT TAX ASSETS (NET)

TAX DEDUCTED AT SOURCE	1,098
------------------------	-------

	1,098
--	-------

NOTE-8

OTHER CURRENT ASSETS

DEPOSITS	478
----------	-----

AMOUNT RECEIVABLE	214
-------------------	-----

	692
--	-----

NOTE - 9**EQUITY SHARE CAPITAL**AUTHORIZED SHARE CAPITAL

201250000 EQUITY SHARES OF RS. 2/-EACH	4,02,500
--	----------

(PR. YEAR 201250000 EQUITY SHARES OF RS. 2/-EACH)

ISSUED, SUBSCRIBED & PAID UP

	2,23,750
--	----------

111875000 EQUITY SHARES OF RS. 2/-EACH

(PR. YEAR 111875000 EQUITY SHARES OF RS. 2/-EACH)	2,23,750
---	----------

DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF PAID UP EQUITY SHARE CAPITAL

SHAREHOLDER	31.03.2019	31.03.2018	AS AT 31.03.2018
	NO. OF SHARES	NO. OF SHARES	PERCENTAGE
VIZWISE COMMERCE PRIVATE LIMITED	72799186	72799186	65.07

SHARE RECONCILIATION STATEMENT

	AS AT 31.03.2018
PARTICULARS	EQUITY
SHARES OUTSTANDING AT THE BEGINNING OF THE YEAR	1,11,875
SHARES ISSUED DURING THE YEAR	-
SHARES BOUGHT BACK DURING THE YEAR	-
SHARES OUTSTANDING AT THE END OF THE YEAR	1,11,875

PARTICULAR	2018-19
Equity Shares :	
Fully Paid Up pursuant to Contract Without Payment being Received in Cash	-
Fully Paid Up By way of Bonus	-
Shares bought Back	-

Figures in Thousand

AS AT 31ST MARCH, 2019
NOTE - 10
RESERVES AND SURPLUS

SHARE PREMIUM	2,48,750
GENERAL RESERVE	1,000
PROFIT & LOSS ACCOUNT	
OPENING BALANCE	(2,99,780)
ADD: PROFIT/(LOSS) OF CURRENT YEAR	411
CLOSING BALANCE	(2,99,369)
	<u>(49,619)</u>

NOTE -11
OTHER CURRENT LIABILITIES

OTHER LIABILITIES	8,972
AUDIT FEES PAYABLE	22
	<u>8,994</u>

NOTE-12
REVENUE FROM OPERATIONS

RENT	7,240
	<u>7,240</u>

NOTE-13
OTHER INCOME

INTEREST ON INCOME TAX REFUND	-
LONG TERM CAPITAL GAIN	-
INTEREST ON FDR	-
	<u>-</u>

CONSOLIDATED NOTES TO THE ACCOUNTS

Figures in Thousand

AS AT 31ST MARCH, 2019

NOTE-14**EMPLOYEE BENEFIT EXPENSES**

SALARY & ALLOWANCES	1,228
DIRECTOR SALARY	575
STAFF WELFARE	36
BONUS	86
	<u>1,925</u>

NOTE-15**FINANCIAL COSTS**

BANK CHARGES	2
INTEREST ON SERVICE TAX	-
INTEREST ON TDS	0
	<u>2</u>

NOTE-16**OTHER EXPENSES**

CONVEYANCE	85
ELECTRICITY EXPENSES	30
POSTAGE & COURIER	48
MEETING EXPENSES	10
COMMISSION	34
CDSL	85
WEBSITE EXPENSES	1
RENT PAID	684
RTA EXPENSES	1
SERVICE TAX /IGST EXPENSES	-
TOUR & TRAVELLING EXP.	110
STT PAID	-
LISTING FEES	250
OFFICE EXPENSES	64
AUDITORS REMUNERATION	22
LEGAL & PROFESSIONAL CHARGES	686
MISCELLANEOUS EXPENSES	-
PRINTING & STATIONERY	161
PUBLISHING FEES	57
REPAIR & MAINTAINENCE	385
PROPERTY TAX	985
INSURANCE CHARGES	2
FILING FEES	9
TELEPHONE EXP.	11
EDP EXP.	2
SITING FEES	432
DIWALI EXPENSES	7
DONATION	-
DP CHARGES	-
E VOTING CHARGES	29
LOSS ON INVESTMENTS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS	-
SEWERAGE & WATER TAX	7
LOSS ON SALE OF INVESTMENT	-
SUNDARY BALANCE W/OFF	-
	<u>4,198</u>

NOTE-17
(Figures in Thousand)
OTHER ADDITIONAL INFORMATION as at MARCH 31, 2019 :

- 1) The figures of the previous year have been regrouped /recast wherever necessary to correspond with current year figures.
- 2) In the opinion of the Board and to the best of its knowledge, the value on realization of Current Assets, Loans and Advances, in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet except stated other wise elsewhere.

a) Remuneration to Auditor's :-

Particulars	Current Year
	2018-19
Statutory Audit Fee	Rs. 22.00/-
Certification	3.5
Total	25.50/-

b) Director's Remuneration

Particulars	Current Year
	2018-19
Directors Remuneration	Rs. 577.40/-
Bonus	Rs. 24.25/-
Total	Rs. 601.65/-

3) Information pursuant to part II of the Companies Act 2013:

- i) No of employees who are in receipt of remuneration of Rs. 10200/- or more if employed full year or Rs. 850/- or more per month if employed for part of the year. - NIL
- 4) i) Earning in Foreign Currency NIL
 ii) Expenditure in Foreign Currency NIL
- 5) According to the information available with the company, there is no amount due to Micro, Small & Medium Enterprises as at 31st March, 2019.

6) Related Party Relationship
A. Holding Company

Vizwise Commerce Pvt Ltd

B. Associates:

Pan India Corporation Ltd.

Ujjwal Ltd

Prurient IT Solutions LLP

SPG Finvest Pvt. Ltd.

Tactfull Investment Ltd.

Ujjwal Infrastructure Pvt. Ltd.

C. Key Management Personnel:

Omprakash Ramashankar Pathak

Ankit Rath

D. Related Party Transactions

Particulars	Opening Balance	Recd	Paid	Closing Balance	Maximum Out standing
Vizwise Commerce Pvt Ltd	78185.57/-Dr	323.34	Nil	77862.25 Dr	78185.57/-
Ujjwal Ltd	6255.00/- Dr	Nil	Nil	6255.00/-Dr	6255.00/-
Vizwise Commerce Pvt Ltd *(Purchase of Shares)	Nil	*68.22	68.22	Nil	68.22/-

Payments to Director Rs. 601.65/- Previous Year Rs. 575.30/-.

7. Segment Reporting IND AS 108

In accordance with IND AS 108 on Segment Reporting, the Company has only one reportable business segment.

Hence, segment reporting is not applicable to the company.

8. Loans and Advances and Sundry Debtors and Current Liabilities are subject to confirmation.

9. Accounting for taxes on Income :

In accordance with IND AS 12 deferred taxes assets has emerged during the year on depreciation and other losses which has not been recognised as there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

10) Note 1 to 17 forms an integral part of the accounts for the year ended March 31, 2019.

11) All the figures are in thousands.

Sr. No.	Name of Associates	Latest Audited Balance Sheet Date	No. of Shares	Amount of investment in Associates	Extend of Holding (%)	Net Worth attributable to shareholding as per latest audited Balance Sheet	Considered in Consolidation	Not Considered in Consolidation
1.	Ujjwal Infrastructure Private Limited	31.03.2019	4500	45	30%	Nil	Nil	Nil

As per our audit report of even date attached

For **R C CHADDA & CO LLP**

Chartered Accountants

FRNo.: 003151N

For & On behalf of Board of Directors

NEHA SAPRA

(Partner)

Membership No. 533207

Omprakash R. Pathak

(Managing Director)

DIN-01428320

Ankit Rathi

(Director)

DIN-01379134

Place: New Delhi

Date: 26.08.2019

Sachin Sharma

CFO

Surendra Singh Tangar

(Company Secretary)

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: 711, 7th 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(s) 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:,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **27th Annual General Meeting** of the Company to be held on **Monday, 30th September, 2019 at 11:00 A.M. at Plot No. 122, Mahalaxmi Vihar, Karawal Nagar, Delhi-110094** and at any adjournment thereof in respect of such resolutions as are indicated below;

Resolution No.	Resolution	Optional*	
Ordinary Business:		For	Against
1.	To receive, consider and adopt: a. the Standalone Audited Financial Statement of the Company for the financial year ended on 31st March, 2019 along with Report of Director's and Auditors' thereon b. the Consolidated Audited Financial Statement of the Company for the financial year ended on 31st March, 2019 along with Report of Director's 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.		
Special Business:		For	Against
3.	To appoint Mr. Harish Kumar Chauhan (DIN 06857506), as a Director and as an Independent Director of the Company		
4.	To appoint Mrs. Preeti Sharma (DIN 06942133), as a Director and as an Independent Director of the Company		
5.	To approve increase in remuneration of Mr. Omprakash Ramashankar Pathak, Managing Director of the Company		

Signed this..... day of.....2019.

Tear Page

Affix
Revenue
Stamp

Signature of shareholder.....

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

Note:

1. 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.
2. Notwithstanding the above, the Proxies can vote on such other items which may be tabled at the meeting by the members present.
3. For the Resolutions and Notes please refer to the Notice of Annual General Meeting.
4. The Company reserves its right to ask for identification of the proxy.
5. The proxy form should be signed across the Revenue Stamp as per specimen signature(s) registered with the Company / depository participant.
6. It is optional to indicate your preference. If you leave the for, Against or abstain column blank any or all resolution, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
7. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE MEETING VENUE

CIN: L72200DL1992PLC241971

Name of the Company: BITS LIMITED

Registered Address: 711, 7th Floor, New Delhi House, 27, Barakhamba Road, New Delhi – 110001.

Regd. Folio No. / DP ID/ Client ID: -

Name & Address of First/Sole Shareholder: -

No. of Shares held: -

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

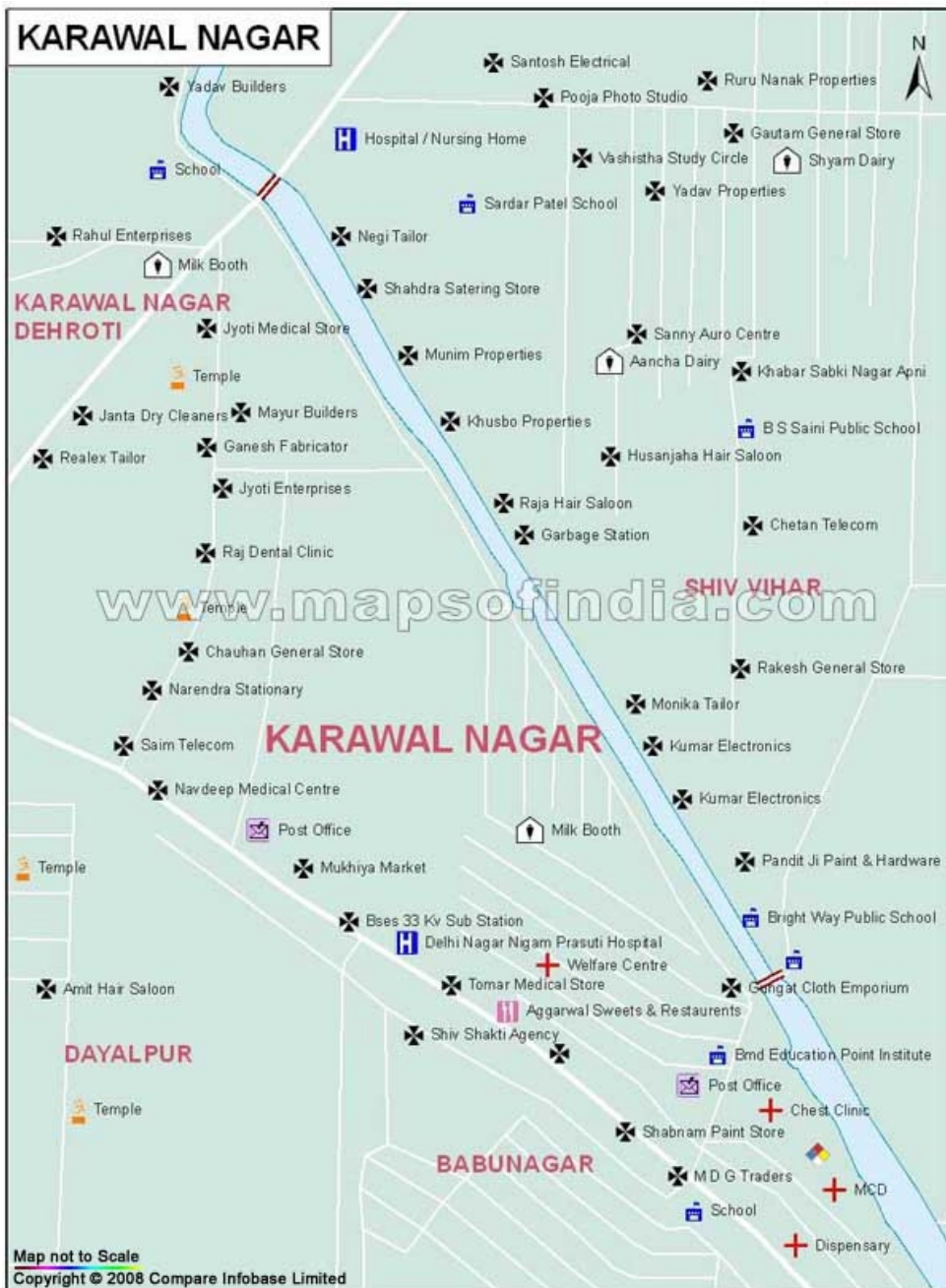
I hereby record my presence at the **27th Annual General Meeting** of the Company to be held on **Monday, 30th September, 2019** at **11:00 A.M. at Plot No. 122, Mahalaxmi Vihar, Karawal Nagar, Delhi-110094.**

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.

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