

BITS LIMITED

CIN: L72200DL1992PLC241971

28TH ANNUAL REPORT

2019 - 2020



CORPORATE INFORMATION

Board of Directors:

Mr. Ankit Rathi

Mr. Omprakash Ramashankar Pathak

Mr. Harish Kumar Chauhan

Mrs. Preeti Sharma

Chairman and Director

Managing Director

Independent Director

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

Internal Auditors:

M/s. R. Mahajan & Associates

Chartered Accountants

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 **28th Annual General Meeting** of the members of **Bits Limited** will be held on **Sunday, 20th September, 2020 at 12:30 P.M.** through Video Conferencing in accordance with the applicable provisions of the Companies Act, 2013 read with MCA General Circular No. 20/2020, 14/2020 and 17/2020 dated 05th May, 2020, 08th April, 2020 and 13th April, 2020 respectively and SEBI Circular dated 12/05/2020, to transact the following business:

ORDINARY BUSINESSES:

1. To receive, consider and adopt: -
 - a) The Audited Standalone Financial Statements of the company for the Financial Year ended 31st March, 2020 along with the Reports of the Directors and Auditors' thereon;
 - b) The Audited Consolidated Financial Statements of the company for the Financial Year ended 31st March, 2020 along with the Reports of the Directors and Auditors' thereon.
2. To appoint a Director in place of Mr. Omprakash Ramashankar Pathak (DIN: - 01428320) Director, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To re-appoint Mr. Omprakash Ramashankar Pathak (DIN: 01428320) as the 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 **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 203 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, pursuant to the recommendation of Nomination and Remuneration Committee of the board and the approval of the Board of Directors, consent of the shareholders of the Company be and is hereby accorded for the appointment of Mr. Omprakash Ramashankar Pathak (DIN: 01428320) as the Managing Director of the Company for a further term of 5 (Five) years with effect from 07th May, 2020 to 06th May, 2025, at remuneration of Rs. 53,400/- per month subject to an annual increment as may be approved by the Board pursuant to the recommendation of Nomination and Remuneration Committee during his term of office and his office shall be liable to retire by rotation.

RESOLVED FURTHER THAT approval of shareholders of the company be and is hereby accorded to the principal terms and conditions including remuneration payable as set out in the draft letter of appointment to be issued by the company to Mr. Omprakash Ramashankar Pathak, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter, amend, vary or modify the terms and conditions of the said appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Omprakash Ramashankar Pathak, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

NOTES

RESOLVED FURTHER THAT in the event in any financial year, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, then remuneration as decided above be paid with the prior approval of the Central Government or in accordance with the provisions of the Companies Act, 2013 read with Schedule V of the Act."

RESOLVED FURTHER THAT Board of the Directors of the Company, be and are hereby authorized to sign, seal and execute necessary papers, deeds and other documents to be filed with the Office of Registrar of Companies/ Ministry of Company Affairs or any other authority to give effect to this resolution and to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments, as may be required in this regard."

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

Sd/-

Omprakash Ramashankar Pathak

Date: 20.08.2020 (Managing Director)
Place: New Delhi DIN: - 01428320

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

1. Explanatory Statement setting out the material facts concerning each item of Special Businesses to be transacted at the General Meeting pursuant to Section 102 of the Companies Act, 2013 are annexed hereto and forms part of the Notice. Information on all the Directors proposed to be appointed/re-appointed at the Meeting as required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 are provided in the Annexure to this Notice.
2. In view of the COVID 19 pandemic, Ministry of Corporate Affairs ("MCA") vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") and SEBI Circular dated 12/05/2020 as permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA & SEBI Circulars, the AGM of the Company is being held through VC / OAVM.
3. Since, the AGM is being conducted through VC/OAVM, there is no provision for appointment of proxies. Accordingly, appointment of proxies by the members will not be available.
4. Corporate members intending to attend the AGM through authorised representatives are requested to send a scanned copy of duly certified copy of the board or governing body resolution authorising the representatives to attend and vote at the Annual General Meeting. The said Resolution/Authorization shall be sent

to the Scrutinizer by email through its registered email address to cspritikanagi@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.

5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6. a) The Register of Members and Share Transfer Books of the Company will remain closed from 14th September, 2020 to 19th September, 2020 (both days inclusive).

b) The remote e-voting period commences on Thursday, September 17, 2020 (09:00 A.M.) and ends on Saturday, September 19, 2020 (05:00 P.M.). No e-voting shall be allowed beyond the said date and time. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 16th September, 2020, may cast their vote by remote e-voting.

7. Members holding shares in physical form are requested to intimate immediately to the Registrar & Share Transfer Agent of the Company, **MAS Services Limited**, T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 Ph:- 011-26387281/82/83 Fax:- 011-26387384 quoting registered Folio No. (a) details of their bank account/change in bank account, if any, and (b) change in their address, if any, with pin code number.

In case shares are in demat form members are requested to update their bank detail with their depository participant.

8. The documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during normal business hours on any working day except Saturdays, upto the date of meeting.

9. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN to the Company/Registrar.

10. Members who hold shares in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar, for consolidation into a single folio.

11. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, the Annual Report including audited financial statements for the financial year 2020 including notice of 28th AGM is being sent only through electronic mode to those 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.

In case you have not registered your email id with depository or RTA you may registered your email id in following manner.

Physical Holding	Send a signed request to Registrar and Transfer Agents of the Company, MAS Services Limited at info@masserv.com providing Folio number, Name of the shareholder, scanned copy of the share certificate (Front and Back), PAN(Self attested scanned copy of PAN Card), AADHAR (Self attested scanned copy of Aadhar Card) for
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	registering email address.
Demat Holding	Please contact your Depository Participant (DP) and register your email address as per the process advised by DP.

12. **Voting through electronic means:** In compliance with the provisions of Regulation 44 of the Listing Regulations and Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 Company is offering e-voting facility to its members. Detailed procedure is given in the enclosed letter.

INSTRUCTION FOR REMOTE EVOTING, EVOTING AND JOINING OF AGM THROUGH VIDEO CONFERENCING

- (i) The shareholders need to visit the e-voting website <http://www.evotingindia.com/>.
- (ii) Click on "Shareholders" module.
- (iii) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence/PAN number which is mentioned in email..
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting on resolutions of any other company for which they are eligible to vote, provided that the company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (ix) For shareholders holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the Bits Limited.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution on which you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHO WISH TO OBTAIN LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE BUT WHOSE EMAIL ADDRESS IS NOT REGISTERED WITH THE DEPOSITORIES:

1. For Physical shareholders- Kindly send an email with a scanned request letter duly signed by 1st shareholder, scan copy of front and back of one share certificate, copy of PAN card and Aadhaar card to info@masserv.com
2. For Demat shareholders - Kindly update your email id with your depository participant and send copy of client master to info@masserv.com

INSTRUCTIONS FOR JOINING MEETING THROUGH VC:

- (i) To join the meeting, the shareholders should log on to the e-voting website <http://www.evotingindia.com/> and login as explained above. After logging-in, kindly click on 'live streaming' tab and you will be redirected to 'cisco' website.
- (ii)

In the "Name" field:	Put your USERID as informed in e-mail
In the "last name" field:	Enter your Name
In the "Email ID" field:	Put your email ID
In the "Event password" field:	Put the password as "cdsl@1234"
Click join now button.	

Now screen will be displayed for downloading CISCO driver for VC. Please click on run temporary file download. Downloading of driver will be start open driver and click on run.

Event will start and you will be in the AGM through Video conferencing.

You can join meeting through laptop, tablet, and desktop. In case you want to join through mobile, you need to download the webex meet app from the respective playstore.

PRE-REQUISITE FOR JOINING OF MEETING THROUGH DESKTOP OR LAPTOP:

1. System requirement:

- ✓ Windows 7, 8 or 10
- ✓ I3
- ✓ Microphone, speaker
- ✓ Internet speed minimum 700 kbps
- ✓ Date and time of computer should be current date and time

PRE-REQUISITE FOR JOINING OF MEETING THROUGH MOBILE:

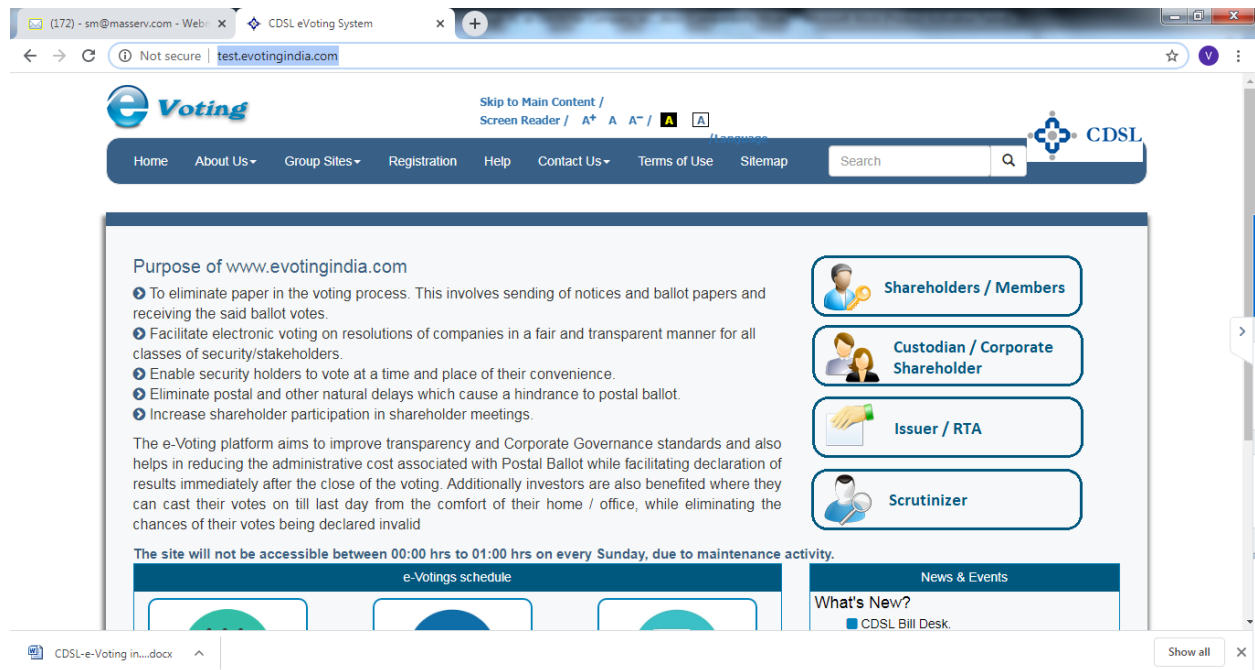
- ✓ Please download webex application from play store

NOTE: IT IS ADVISABLE TO LOGIN BEFOREHAND AT E-VOTING SYSTEM AS EXPLAINED IN E-VOTING INSTRUCTIONS ABOVE, TO BE FAMILIAR WITH THE PROCEDURE, SO THAT YOU DO NOT FACE ANY TROUBLE WHILE LOGGING-IN DURING THE AGM.

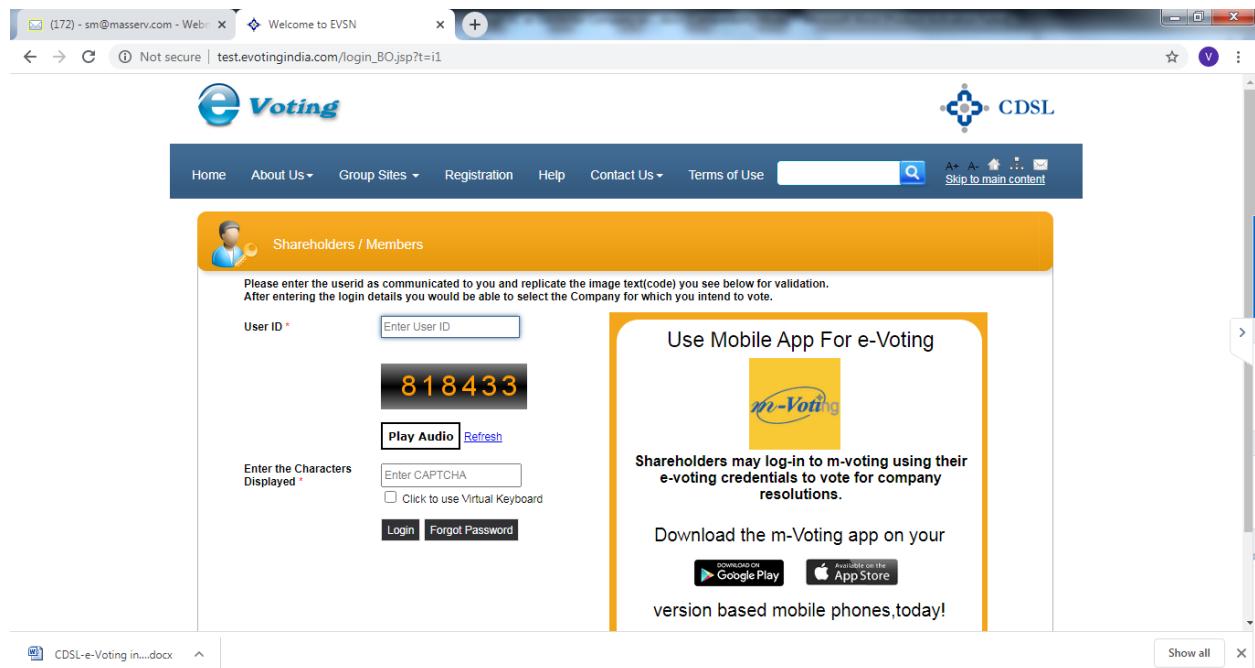
PROCEDURE FOR E-VOTING AND JOINING OF MEETING THROUGH VC

(EXPLAINED USING SCREENSHOTS):

- i. The shareholders should log on to the e-voting website <http://www.evotingindia.com/>. Below screen will appear.



- ii. Press Shareholders/Members tab, after which the below screen will be appear.



iii. Enter user id as mentioned in your invite email, or read point number (iii) as given above.

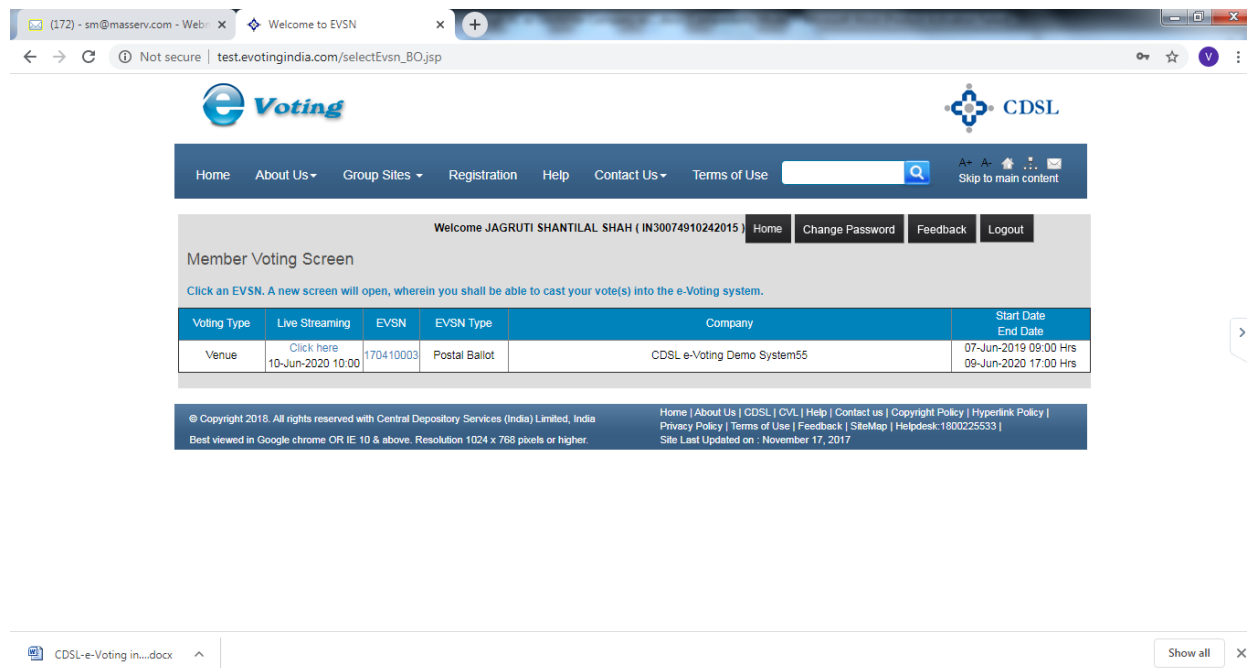
Since you are a registered user, below screen will be appear. Enter your existing CDSL password in password field.

The screenshot shows a web browser window with the URL `test.evotingindia.com/login_BO.jsp?t=i1`. The page features the 'e-Voting' logo and a navigation bar with links: Home, About Us, Group Sites, Registration, Help, Contact Us, and Terms of Use. Below the navigation bar, there is a section titled 'Shareholders / Members'. A message states: 'Character Validation was successful. Kindly enter other login details to proceed.' The login form includes fields for 'User ID *' (containing 'IN30074910242015') and 'Password *'. There are 'Submit' and 'Forgot Password' buttons. A checkbox labeled 'Click to use Virtual Keyboard' is present. To the right of the login form, there is a promotional box for the 'm-Voting' app, stating: 'Shareholders may log-in to m-voting using their e-voting credentials to vote for company resolutions. Download the m-Voting app on your version based mobile phones, today!' with download links for Google Play and the App Store. The browser's address bar shows 'Not secure' and the page has a star icon for bookmarks.

iv. In case you are 1st time user of CDSL e-voting system, then below screen will be appear.

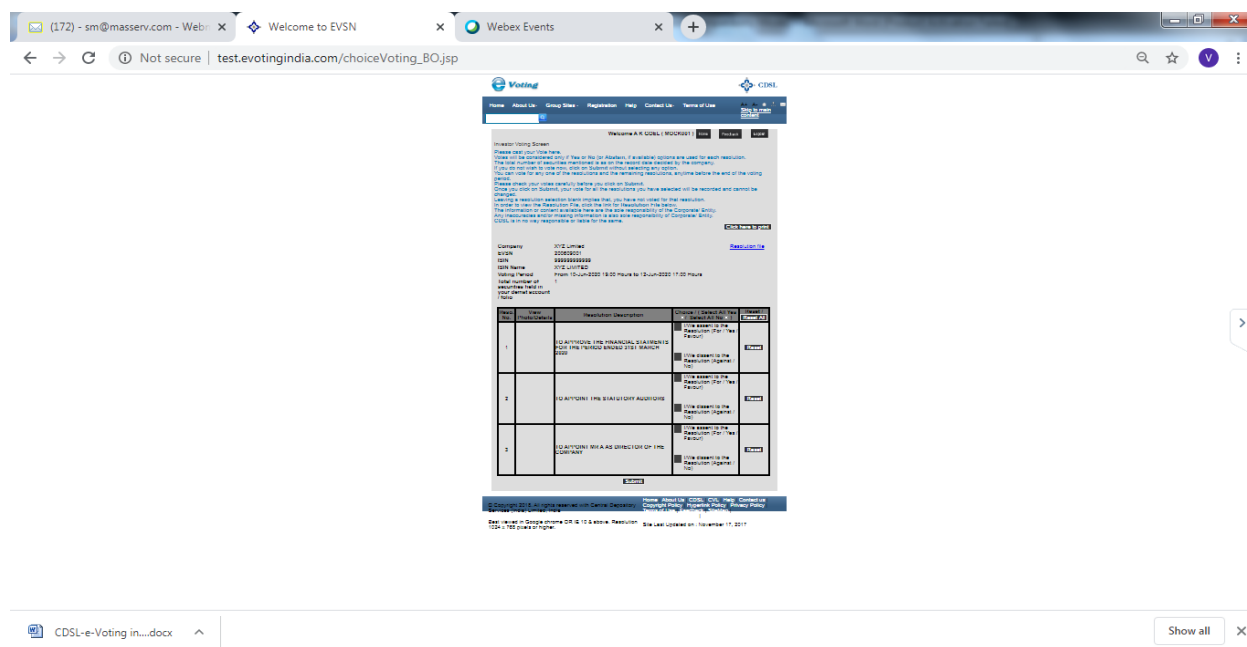
The screenshot shows a web browser window with the URL `test.evotingindia.com/login_BO.jsp?t=i1`. The page features the 'e-Voting' logo and a navigation bar with links: Home, About Us, Group Sites, Registration, Help, Contact Us, and Terms of Use. Below the navigation bar, there is a section titled 'Shareholders / Members'. A message states: 'Character Validation was successful. Kindly enter other login details to proceed.' The login form includes fields for 'User ID *' (containing 'MOCK001'), 'PAN *', 'Bank Account Number #', and 'DOB or Date Of Inc. #' (with a date format hint 'dd/mm/yyyy'). There are 'Submit' and 'Forgot Password' buttons. A checkbox labeled 'Click to use Virtual Keyboard' is present. To the right of the login form, there is a promotional box for the 'm-Voting' app, stating: 'Shareholders may log-in to m-voting using their e-voting credentials to vote for company resolutions. Download the m-Voting app on your version based mobile phones, today!' with download links for Google Play and the App Store. The browser's address bar shows 'Not secure' and the page has a star icon for bookmarks.

v. Enter your PAN and bank detail/DOB or follow instruction as given point number (vi) above or mentioned in invite email; then below screen will be appear.



vi. For e-voting, press EVSN number given in EVSN column; and for joining AGM through video conferencing, click on "Click here" tab under the live streaming column.

E-voting screen will be shown as below, where you can cast your vote and press submit button given at the bottom of the screen.



Screen for login into Video Conferencing is shown below:

telecraft.webex.com/mw3300/mywebex/default.do?nomenu=true&siteurl=telecraft&service=6&rnd=0.3323739293425717&main_url=https%3A%2F%2Ftelecraft.webex.co...

Event Information: Webex Event Demo

Event status: Not started
 Date and time: Monday, May 25, 2020 5:00 pm India Time (Mumbai, GMT+05:30)
[Change time zone](#)
 Duration: 2 hours
 Description:

By joining this event, you are accepting the Cisco Webex [Terms of Service](#) and [Privacy Statement](#)

Join Event Now

You cannot join the event now because it has not started.

First name:
 Last name:
 Email address:
 Event password:

☐ I would like to take a free Webex trial (email required)

[Join by browser](#) **NEW!**
 If you are the host, [start your event](#)

Fill the details as:

In the "Name" field - Enter your USERID as given in email

In the "last name" field - Enter your Name

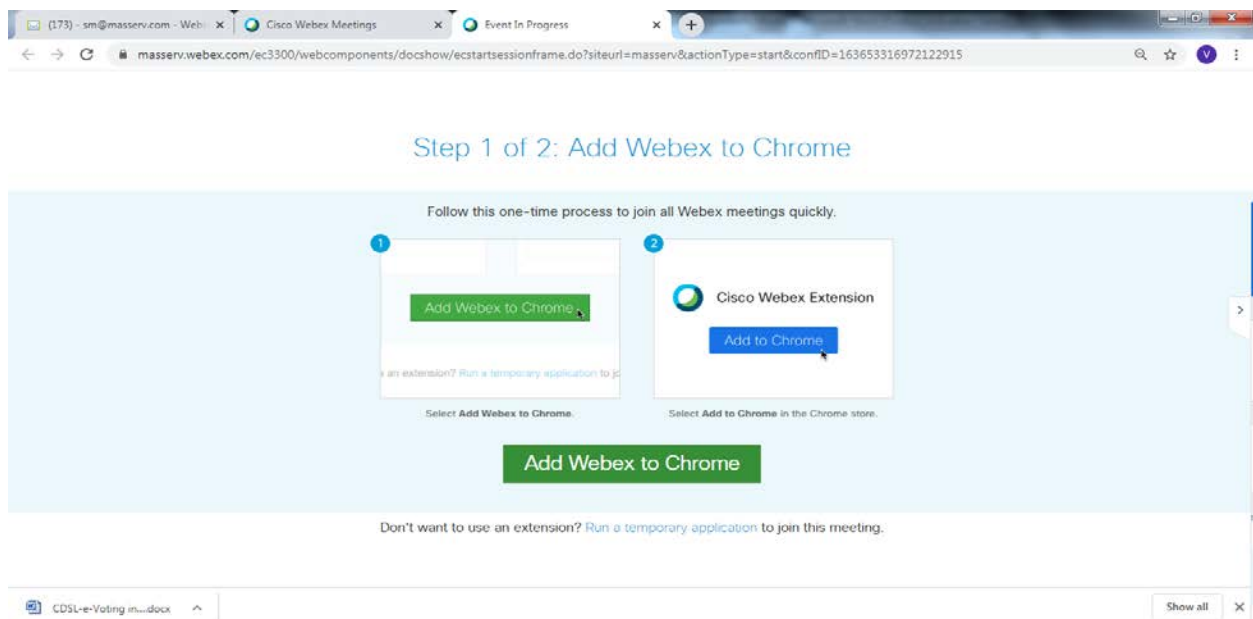
In the "Email ID" field - Put your email ID

In the "Event password" field - Put the password as "cdsl@1234"

Click join now button.

You can join meeting through laptop, tablet, and desktop. In case you want to join through mobile, you need to download the webex meet app from the respective play store.

vii. Once you click on 'Join now' tab, the following screen will be appear :



viii. Now, Kindly click on 'Run a temporary application', after which a Webex driver will get downloaded. After downloading webex driver, run the application and you will be directed to the AGM.

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 of the accompanying notice dated 20.08.2020

Item No. 3

The Board at its meeting held on 05.05.2020 and subject to approval of the members of the Company, re-appointed Mr. Omprakash Ramashankar Pathak as a Managing Director of the company for a period of 5 (Five) years with effect from 07th May, 2020 to 06th May, 2025, at remuneration of Rs. 53,400/- per month and an annual increment as may be approved by the Board pursuant to the recommendation of Nomination and Remuneration Committee during his term of office and his office shall be liable to retire by rotation.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company approved the re-appointment of Mr. Omprakash Ramashankar Pathak (DIN: 01428320) as the Managing Director of the Company subject to the approval of the shareholders at this Annual General Meeting.

It is proposed to seek approval of the members for re-appointment and remuneration payable to Mr. Omprakash Ramashankar Pathak, Managing Director in terms of the applicable provisions of the Act.

Broad particulars of terms re-appointment of and remuneration payable to Mr. Omprakash Ramashankar Pathak are as under: -

Name and Designation	Period of Appointment	Salary Per Month (Rs.)
Mr. Omprakash Ramashankar Pathak (Managing Director)	Five (5) years w.e.f. 07 th May, 2020 to 06 th May, 2025	Rs. 53,400/- and Annual Increment as may be approved by the board on yearly basis.

- A) The Managing Director shall have the right to manage the day-to-day business and affairs of the Company subject to the superintendence, guidance, control and direction of the Board of Directors of the Company.
- B) The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- C) The Managing Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.
- D) The office of the Managing Director may be terminated by the Company or the concerned Director by giving the other 1 (One) month prior notice in writing.
- E) Mr. Omprakash Ramashankar Pathak satisfies all the conditions set out in Part-I of Schedule V to the Act and also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Directors in terms of Section 164 of the Act.

The above remuneration as aforesaid to be allowed to the Executive director shall be subject to such limits for this remuneration as laid down by the Companies Act, 2013.

The Scope and quantum of remuneration and perquisites specified hereinabove, may be enhanced, enlarged, widened, altered or varied

by the Board of Directors in the light of and in conformity with to the relevant provisions of the Companies Act and schedule V and / or the rules and regulations made there under and / or such guidelines as may be announced by the Central Government from time to time in future.

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

The Company shall pay to or reimburse the Executive Director and he shall be entitled to be paid and / or to be reimbursed by the Company all costs, charges and expenses that may have been or may be incurred by him for the purpose of or on behalf of the Company.

Copy of draft letter of appointment to be issued by company to Mr. Omprakash Ramashankar Pathak is available for inspection in physical at the registered office of the company during business hours till the date of meeting. The same may be treated as written memorandum setting out the terms and conditions of his appointment under Section 190 of the Companies Act, 2013.

The Board recommends the Ordinary Resolution set out in item no. 3 of the notice for the approval of the members of the Company. Save and except above, none of other Directors/Key managerial personnel of the Company/their relatives are in any way concerned or interested, financially or otherwise in the proposed Special resolution set out in item no. 3.

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.)

Name and Age of Director	Mr. Omprakash Ramashankar Pathak, 45 years
Date of Birth	04/01/1975
DIN	01428320
Qualification	Under Graduate
Expertise in specific functional areas	He has a wide experience in Finance & Marketing.
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid	<p>Terms - 5 years w.e.f. 07th May, 2020 to 06th May, 2025</p> <p>Conditions - As specified in draft letter of appointment.</p> <p>Remuneration: as specified above.</p>
Last Drawn Remuneration/ Sitting Fees	Rs. 6,67,500/- per annum as at 31.03.2020
Date of first appointment on the Board	13 th August, 2013
Directorship held in other Listed companies and Unlisted companies	<p>1. Pan India Corporation Limited</p> <p>1. Tactfull Investments Limited 2. Ujjwal Limited 3. Mili Investments and Trades Pvt. Ltd. 4. Mitika Traders Pvt. Ltd. 5. Vizwise Commerce Pvt. Ltd. 6. SPG Finvest Pvt. Ltd. 7. Ujjwal Infrastructure Pvt. Ltd.</p>
No. of Board Meetings attended during the year 2019 - 2020	5
Membership/Chairmanship of the Committees across the Companies (as on 31.03.2020) *	<p>Member - 2;</p> <p>Chairman - 0</p>
No. of equity shares held	Nil
Relationship with other Directors	He is not related /associated with any director of the Company

Brief Resume

Mr. Omprakash Ramashankar Pathak aged 45 years is associated with the Company from last 7 years. He has a vide experience in Finance & Marketing.

*Committee position only of the Audit Committee and Stakeholder's Relationship Committee in Listed Public Companies have been considered.

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

Sd/-

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

Date: 20.08.2020

Place: New Delhi

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

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 2019-20

Dear Members,

Your Directors are pleased to present the 28th Annual Report on the business and operations of the Company together with the Audited Financial Statement for the year ended 31st March, 2020.

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
	Year Ended 31 st March 2020	Year Ended 31 st March 2019
Particulars		
Income from Operations	73,46,000	72,40,000
Other Income	72,000	-
Total Income	74,18,000	72,40,000
Total Expenditure	74,13,000	66,90,000
Profit/ (Loss) before tax	5,000	5,50,000
Less: Provision for Deferred Tax	Nil	Nil
Less: Prior period Adjustment of Tax	Nil	94,000
Net Profit/(Loss) after Tax	4,000	4,56,000

STATE OF COMPANY AFFAIRS

During the year under review, the Company has generated the total revenue of ₹74,18,000/-. The Post Tax Profit of your Company is ₹4000/- as compared to the last year's Post Tax Loss ₹4,56,000/-. Your directors are doing their best to bring the company in more profitable position. We hope that the efforts of the directors will be fruitful for the company and its shareholders in next coming years.

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 2019-20

There is no material changes and commitment affecting the financial position of company after the close of financial year 2019-20 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

M/s. Ujjwal Infrastructure Private Limited is 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.

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 2019-20.

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 31.03.2020 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 2019-20. The Secretarial Audit Report for the financial year ended 31st March, 2020 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. Omprakash Ramashankar Pathak, Managing 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. Ankit Rathi, who was liable to retire by rotation at the last Annual General Meeting.

Further Mr. Harish Kumar Chauhan and Mrs. Preeti Sharma has been appointed as Independent Directors of the Company in the last Annual General Meeting of the Company held on 30th September, 2019 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.

Further the term of Mr. Omprakash Ramashankar Pathak, Managing Director of the Company was expired on 06th May, 2020, thus Board of Directors vide their meeting held on 05th May, 2020 re-appointed him for a further term of Five (5) years w.e.f. 07th May, 2020 till 06th May, 2025 subject to the approval of shareholders of the Company in 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 2019-20**, the Board met Five (5) times. The meetings were held on 25-05-2019, 10-08-2019, 26-08-2019, 13-11-2019 and 13-02-2020. 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, Mrs. Preeti Sharma, Non-Executive Independent Director and Mr. Omprakash Ramashankar Pathak, Executive Director are members of the Committee.

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

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

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 2019-20. 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](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 sources of energy: **Nil**, As your company does not carry any manufacturing activities
- iii) The Capital investment on energy conservation equipments: **Nil**

Technology Absorption, Adaption & Innovation and Research & Development

No research & development or technical absorption or adaption & innovation taken place in the company during the Financial Year 2019-20, the details as per rule 8(3) of the companies (Accounts) Rules 2014 are as follows:

- i) Efforts made towards technology absorption: - **Nil**
- ii) Benefits derived like product improvement, cost reduction, product development or import substitution: **Nil**
- iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year)-
 - a) Details of technology imported: **Nil**
 - b) Year of Import: **Nil**
 - c) Whether the technology been fully absorbed: **Nil**

d) Areas where absorption has not taken place and the reasons thereof: **Nil**

iv) Expenditure incurred on Research and Development: **Nil**

Foreign Exchange Earnings and Outgo

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

Foreign Exchange Earnings: **Nil**

Foreign Exchange Outgo: **Nil**

DIRECTORS' RESPONSIBILITY STATEMENT

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

- 1) That in preparation of Annual Accounts for the year ended March 31st, 2020, 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, 2020 and of the profit and loss of the Company for the year ended on that date;
- 3) That the Directors have taken proper &

sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- 4) The directors have prepared the annual accounts on a going concern basis;
- 5) That the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- 6) That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

LISTING OF SECURITIES

The Company's Equity Shares are listed on **BSE Limited**.

Trading of shares of the company over stock exchange has been suspended since 02nd April, 2018 due to surveillance measure. Your Company has filed requisite information/documents on timely basis as and when required by the stock exchange. We are in process of resumption of trading of shares and hope that the trading of share shall be resumed as soon as possible and freely available for trading.

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

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

Sd/-
Ankit Rathi
(Director)
DIN - 01379134

Date: 20.08.2020

Place: New Delhi

Annexure A to Director's Report

FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED AS ON MARCH, 31ST 2020

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

To,
The Members,
BITS LIMITED
711, 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 2020 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, 2020 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- 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.

We further report that the company was issued a Direction from BSE Ltd regarding Non-Compliance with exchange requirements in respect of Submission of requisite documents/clarifications from time to time and in this regard the Company was required to complete the formalities as communicated to the Company from time to time on urgent basis. Further, the Company has submitted the required documents with the Stock Exchange within due time.

For Pritika Nagi & Associates

**Sd/-
Pritika Nagi**

Date: 20.08.2020
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.

UDIN : A029544B000599322

Annexure - I

To,
The Members
BITS LIMITED
711, 7th Floor, 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/-
Pritika Nagi

Date: 20.08.2020
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 31.03.2020

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 INFRASTRUCTURE 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-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
g) Individual/ HUF	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
j) Bodies Corp.	72,799,186	-	72,799,186	65.07%	72,799,186	-	72,799,186	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)	72,799,186	-	72,799,186	65.07%	72,799,186	-	72,799,186	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 SHAREHOLDING OF PROMOTER (A) = (A)(1) + (A)(2)	72,799,186	-	72,799,186	65.07%	72,799,186	-	72,799,186	65.07%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	30,500	30,500	0.03%	-	30,500	30,500	0.03%	0.00%
b) Banks / FI	-	47,000	47,000	0.04%	-	47,000	47,000	0.04%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIIs	-	-	-	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.	803,269	215,600	1,018,869	0.91%	672,448	215,600	888,048	0.79%	-0.12%

i) Indian									
ii) Overseas	-	-	-	-	-	-	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	25,004,540	8,380,750	33,385,290	29.84%	25,123,521	8,364,750	33,488,271	29.93%	0.09%
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	3,316,566	-	3,316,566	2.96%	3,417,141	-	3,417,141	3.05%	0.09%
c) Others (specify)									
Non Resident Indians Repat	182,415	877,500	1,059,915	0.95%	182,415	877,500	1,059,915	0.95%	0.00%
Non Resident Indians Non Repat	65,250	-	65,250	0.06%	70,750	-	70,750	0.06%	0.00%
Non Residents Indian/OCB	-	-	-		-	-	-	-	
Clearing Members	141,424	-	141,424	0.13%	63,189	-	63,189	0.06%	-0.07%
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):-	29,524,464	9,473,850	38,998,314	34.85%	29,524,464	9,473,850	38,998,314	34.85%	0.00%
Total Public Shareholding (B) = (B)(1) + (B)(2)	29,524,464	9,551,350	39,075,814	34.93%	29,524,464	9,551,350	39,075,814	34.93%	0.00%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%					0.00%
Grand Total (A+B+C)	102,323,650	9,551,350	111,875,000	100.00%	102,323,650	9,551,350	111,875,000	100.00%	0.00%

(ii) Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year [As on 01-April-2019]			Shareholding at the end of the year [As on 31-March-2020]			% 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	72,799,186	65.07%	0	72,799,186	65.07%	0	0.00%
	Total	72,799,186	65.07%	0	72,799,186	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):

SN	For each of the Top 10 shareholders	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
1	Name: Mahavir G Chopra						
	At the beginning of the year	1-Apr-2019		844,200	0.75%	844,200	0.75%
	Changes during the year				0.00%		0.00%
	At the end of the year	31-Mar-2020		844,200	0.75%	844,200	0.75%
2	Name: Laxmipat Dudheria						
	At the beginning of the year	1-Apr-2019		330,383	0.30%	330,383	0.30%
	Changes during the year				0.00%		0.00%
	At the end of the year	31-Mar-2020		330,383	0.30%	330,383	0.30%
3	Name: Sameer Vasant Godbole						
	At the beginning of the year	1-Apr-2019		239,395	0.21%	239,395	0.21%
	Changes during the year						
	At the end of the year	31-Mar-2020		239,395	0.21%	239,395	0.21%
4	Name : Urmila Devi Seksaria						
	At the beginning of the year	1-Apr-2019		197,379	0.18%	197,379	0.18%
	Changes during the year						
	At the end of the year	31-Mar-2020		197,379	0.18%	197,379	0.18%
5	Name: Jitender Kumar Jain						
	At the beginning of the year	01-Apr-19		184,459	0.16	184,459	0.16

	Changes during the year						
	At the end of the year	31-03-20		184,459	0.16	184,459	0.16
6	Name: Anita Anil Bansal						
	At the beginning of the year	1-Apr-2019		173,107	0.15%	173,107	0.15%
	Changes during the year				0.00%		0.00%
	At the end of the year	31-Mar-2020		173,107	0.15%	173,107	0.15%
7	Name: Rabindra Nath Dolai						
	At the beginning of the year	1-Apr-2019		157,700	0.14%	157,700	0.14%
	Changes during the year						
	At the end of the year	31-Mar-2020		157,700	0.14%	157,700	0.14%
8	Name: Shyam Behari Kothi						
	At the beginning of the year	1-Apr-2019		130,000	0.12%	130,000	0.12%
	Changes during the year				0.00%		0.00%
	At the end of the year	31-Mar-2020		130,000	0.12%	130,000	0.12%
9	Name: Sandeep Musaddy						
	At the beginning of the year	1-Apr-2019		130,000	0.12%	130,000	0.12%
	Changes during the year				0.00%		0.00%
	At the end of the year	31-Mar-2020		130,000	0.12%	130,000	0.12%
10	Name : Vimal Vadilal Shah						
	At the beginning of the year	1-Apr-2019		128,500	0.11%	128,500	0.11%
	Changes during the year				0.00%		0.00%
	At the end of the year	31-Mar-2020		128,500	0.11%	128,500	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 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
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	Mr. Omprakash Ramashankar Pathak	
		Designation	Managing Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		640,800.00	640,800.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		26,700.00	26,700.00
	(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)	667,500.00	-	667,500.00
	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)
1	Independent Directors	Mr. Harish Kumar Chauhan	Ms.Preeti Sharma	
	Fee for attending board committee meetings	343,750.00	284,500.00	628,250.00
	Commission			
	Others, please specify			
	Total (1)	343,750.00	284,500.00	628,250.00
2	Other Non-Executive Directors			
	Fee for attending board committee meetings			
	Commission			
	Others, please specify			
	Total (2)	-	-	-
	Total (B)=(1+2)	-	-	628,250.00
	Total Directors Remuneration			628,250.00
	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)
		Sachin Sharma	Surendra Singh Tangar	
		CFO	CS	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	180,000.00	360,000.00	540,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		15,000.00	15,000.00
	(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	180,000.00	375,000.00	555,000.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Penalty					
Punishment					
Compounding					

B. DIRECTORS

Penalty					
Punishment					
Compounding					

C. OTHER OFFICERS IN DEFAULT

Penalty					
Punishment					
Compounding					

By Order of the Board of Directors
For Bits Limited

Date: 20.08.2020
Place: New Delhi

Sd/-
OMPRAKASH RAMASHANKAR PATHAK
Managing Director
DIN-01428320

Sd/-
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 Principles 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 there under 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, 2020. 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 compiled by the Company in all material respect.

For & on behalf of M/s Pritika Nagi & Associates

Sd/-
Pritika Nagi

Date: 20.08.2020 **Practicing Company Secretary**
Place: New Delhi **M. No.: 29544, CP No.: 11279**

UDIN : A029544B000599366

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, 2020 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, 2020 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, 2020 is given as under: -

PERFORMANCE	Year ended 31-03-2020 (Amount in Rs.)
Revenue	74,18,000
Expenditure	74,13,000
Profit/ (Loss) before tax	5,000
Prior Period Adjustment of tax	-
Profit/(Loss) for the year	4,000

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

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

Sd/-
Ankit Rathi
(Director)
DIN - 01379134

Date: 20.08.2020

Place: New Delhi

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; 45 years	Managing Director	Rs. 6,67,500	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; 32 years	Chief Financial Officer	Rs. 1,80,000	Contractual	Graduate; Nil	30 th November, 2016	N.A.	Nil	No
3.	Mr. Vijay Pal Shukla, 52 years	HR Manager	Rs. 6,06,250	Otherwise	Under Graduate	01 st July, 2017	N.A.	Nil	No
4.	Mr. Ram Kumar Sharma	Accountant	Rs. 84,000	Contractual	Graduate		N.A.	Nil	No
5.	Mr. Vijender Kumar, 45 years	Peon	Rs. 1,50,000	Contractual	N. A.	01 st January, 2018	N.A.	Nil	No
6.	Mr. Surendra Singh Tangar 28	Company Secretary	Rs. 3,75,000	Contractual	Company Secretary	13 th August, 2018	N.A.	Nil	No

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 2019-20:

Table I

Name of Director/KMP and designation	Remuneration of Director/KMP for financial year 2019-20	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. 6,67,500	3.71:1	11%
Sachin Sharma (Chief Financial Officer)	Rs. 1,80,000	1:1	NIL
Surendra Singh Tangar (Company Secretary)	Rs. 3,75,000	2.08:1	67%

Table II

SI. No	Name of Director	Sitting Fee	Employee Median Remuneration	Ratio
1.	Mr. Harish Kumar Chauhan	Rs. 3,43,750	Rs. 1,80,000	1.91
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, 2020;
- 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**

Sd/-

**Omprakash Ramashankar Pathak
(Managing Director)
DIN - 01428320**

Sd/-

**Ankit Rathi
(Director)
DIN - 01379134**

**Date: 20.08.2020
Place: New Delhi**

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	31.03.2020
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 shares
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: 20.08.2020
Place: New Delhi**

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

**Sd/-
Ankita Rath
Director
DIN: - 01379134**

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2020.

1. COMPANY'S PHILOSOPHY

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

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

The Company has in place a Code of Corporate Ethics and Conduct reiterating its

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

GOVERNANCE STRUCTURE

The Corporate Governance structure of the Company is as follows:

- a) Board of Directors:** The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company.
- b) Committees of the Board:** The Board has constituted the following Committees i.e. Audit Committee, Nomination & Remuneration Committee 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, 2020, are as follows:

Name	Category	Designation	No. of Board Meetings Held during the year 2019 - 2020	No. of Board Meetings Attended during the year 2019 - 2020	Number of Directorship in other Companies	Attendance of each Director At last AGM	No. of other Board Committee(s) of which he is a member (% , @)	No. of other Board Committee(s) of which he is a Chairman (% , @)
Mr. Ankit Rathi	Chairman Promoter/ Non-Executive Director	Director	5	5	6	Yes	5	2
Mr. Omprakash Ramashankar Pathak	Promoter/ Executive Director	Managing Director	5	5	8	Yes	3	1
Mr. Harish Kumar Chauhan	Independent/ Non-Executive Director	Director	5	5	4	Yes	8	5
Mrs. Preeti Sharma	Independent/ Non-Executive Director	Director	5	5	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 and Mrs. Preeti Sharma has been appointed as Independent Directors of the Company in the 27th Annual General Meeting of the Company held on 30th September, 2019 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.

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/familiarisation_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 2019-2020** (5) Five Board Meetings were held i.e. 25-05-2019, 10-08-2019, 26-08-2019, 13-11-2019 and 13-02-2020. 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 Mrs. 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.

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 25/05/2019, 10/08/2019, 26/08/2019, 13/11/2019 and 13/02/2020. The attendance of Members at the Meetings was as follows:

S. No.	Name of Member	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 being 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 Mrs. Preeti Sharma, Non-Executive Independent Director and Mr. Ankit Rathi, Non-Executive Non-Independent Director.

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 2019- 2020 the Committee met Once i.e. on 24/08/2019. The attendance of Members at the Meeting was as follows:

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

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 2019-2020:

Name of the Director	Salary	Perquisites and allowances	Retiral benefit	Bonuses	Performance Linked Incentive	Total	Stock Options granted
Mr. Omprakash Ramashankar Pathak	Rs. 6,40,800 per annum	Nil	Nil	26,700	Nil	Rs. 6,67,500	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 term of Mr. Omprakash Ramashankar Pathak, Managing Director of the Company has been ceased on 06th May, 2020 thus board of directors vide their meeting held 05th May, 2020 has re-appoint the same, subject to the approval of shareholders of the company, for a term of further 5 (Five) Years w.e.f. 07th May, 2020 to 06th May, 2025. 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.

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 Rathi, 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.

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, Mr. Omprakash Ramashankar Pathak, Managing Director was 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 24/05/2019, 09/08/2019, 12/11/2019 and 12/02/2020. The attendance of Members at the Meeting was as follows:

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

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

Investor Grievance Redressal

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	0	0	Nil

As on March 31st, 2020 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, 2019 inter alia, to discuss:

- i) Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole.
- ii) Evaluation of performance of the

Chairman of the Company, taking into account the views of Executive & Non-Executive Directors.

- iii) 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.

7. 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 *
2016-17	Plot No. 122, Mahalaxmi Vihar, Karawal Nagar, Delhi-110094	Thursday, 28 th 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, 28 th September, 2018 at 11:00 A. M.	N. A.
2018-19	Plot No. 122, Mahalaxmi Vihar, Karawal Nagar, Delhi-110094	Monday, 30 th September 2019 at 11:00 A.M.	1. To approve increase in remuneration of Mr. Omprakash Ramashankar Pathak, Managing Director of the Company and

*** 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 2018-2019, Company has not approached the shareholders through postal ballot.

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 has engaged services of CDSL 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 appear 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 2019-20.

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

No special resolution is proposed to be conducted through postal ballot.

8. 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.

The company was issued a Direction from BSE Ltd regarding Non-Compliance with exchange requirements in respect of Submission of requisite documents/clarifications from time to time and in this regard the Company was required to complete the formalities as communicated to the Company from time to time on urgent basis.

Further, the Company has submitted the required documents with the Stock Exchange within due time.

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.

9. 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 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 & 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.

Financial Express (English Daily) and Jansatta (Hindi Daily)	For Quarter ended 30.06.2019
Financial Express (English Daily) and Jansatta (Hindi Daily)	For Quarter ended 30.09.2019
Financial Express (English Daily) and Jansatta (Hindi Daily)	For Quarter ended 31.12.2019
Financial Express (English Daily) and Jansatta (Hindi Daily)	For Quarter ended 31.03.2020

4. Declarations by the Managing Director regarding compliance by board members and senior management personnel with the company's code of conduct

5. 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, 2020, which is attached with the report.

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

7. The company has not come out with any Public Issue / Preferential Issue in the Financial Year 2019 - 20.

8. Certificate from the Secretarial 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.

9. Certificate from the Secretarial Auditor regarding Non-Disqualification of Directors pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as **Annexure-I** to the Corporate Governance Report.

10. MEANS OF COMMUNICATION

Quarterly Results:

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: Sunday, 30th September, 2020 at 12:30 P.M.

Through Video Conferencing in accordance with the applicable provisions

of the Companies Act, 2013 read with MCA General Circular No. 20/2020, 14/2020 and 17/2020 dated 05th May, 2020, 08th April, 2020 and 13th April, 2020 respectively and SEBI Circular dated 12/05/2020

2. Financial Calendar (Tentative) for the Financial Year 2020 - 2021

Tentative calendar of events for the financial year 2020 - 2021 (April to March) is as under:

Adoption of Quarterly Financial Results for:

First Quarter on or before 14th August, 2020

Second Quarter on or before 14th November, 2020

Third Quarter on or before 14th February, 2021

Fourth Quarter on or before 30th May, 2021

3. Book Closure

The Register of Members and Share Transfer Register will remain closed from 14.09.2020 to 20.09.2020 (Both days inclusive) on account of Annual General Meeting.

4. Dividend Payment Date

No dividend has been recommended for the year ended 31st March, 2020.

5. Listing at Stock Exchanges

Sr. No.	Name of Stock Exchange	Stock Code
1.	BSE Limited Phiroze Jeejeebhoy 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 2019 to March 2020

Not Available since trading of shares of the company over stock exchange has been suspended since 02nd April, 2018 due to surveillance measure. Your Company has filed requisite information/documents on timely basis as and when required by the stock exchange. We are in process of resumption of trading of shares and hope that the trading of share shall be resumed as soon as possible and freely available for trading.

7. Securities are suspended from trading

-

Trading of shares of the company over stock exchange has been suspended since 02nd April, 2018 due to surveillance measure. Your Company has filed requisite information/documents on timely basis as and when required by the stock exchange. We are in process of resumption of trading of shares and hope that the trading of share shall be resumed as soon as possible and freely available for trading.

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.

(1) Shareholding Pattern as on 31st March, 2020

<i>Category</i>	<i>No. of Shares held</i>	<i>% of Shareholding</i>
A. PROMOTERS		
Promoter and Promoter Group	72799186	65.07
B. PUBLIC		
Individuals holding nominal share capital up to 2 lac	33488271	29.93
Individuals holding nominal share capital in excess of 2 lac	3417141	3.05
Financial Institutions/Banks	47000	0.04
Mutual Funds/UTI	30500	0.03
NBFCs registered with RBI	0000	0.00
OTHERS	2092902	1.87
Total	111875000	100

10. Distribution of Shareholding as on 31st March, 2020

Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1-5000	14002	83.62	11933200	10.67
5001-10000	1495	8.93	6229268	5.57
10001-20000	722	4.31	5877306	5.25
20001-30000	235	1.40	2964638	2.65
30001-40000	95	0.57	1766100	1.58
40001-50000	53	0.32	1253698	1.12
50001-100000	87	0.52	3074567	2.75
100001 & above	54	0.32	78776223	70.41
Total	16743	100	111875000	100

11. Dematerialization of shares:

Pursuant to 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 (NSDL). Company has been allotted ISIN INE839A01021. As at 31st March, 2020, 1,11,91,764 Equity Shares were held in demat form in CDSL and 9,11,47,886 shares were held in demat form in NSDL.

12. Outstanding GDR'S/ADR'S/ Warrants or any Convertible Instruments, conversion date and likey impact of equity.

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

13. Commodity price risk or foreign exchange risk and hedging activities:

Not Applicable

14. Plant Location:

The Company does not carry any manufacturing activity.

15. 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, 2020 and there is no non-compliance thereof during the period under review.

By Order of the Board of Directors
For Bits Limited

Sd/-

Omprakash Ramashankar Pathak

Date: 20.08.2020

(Managing Director)

Place: New Delhi

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, 2020 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**

Sd/-

**Omprakash Ramashankar Pathak
(Managing Director)**

DIN: - 01428320

Date: 20.08.2020
Place: New Delhi

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

**CERTIFICATE OF NON-
DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V
Para C clause (10)(i) of the SEBI (Listing
Obligations and Disclosure Requirements)
Regulations, 2015)

**To,
The Members
Bits Limited**

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of BITS LIMITED having CIN L72200DL1992PLC241971 and having registered office at 711, 7th Floor, New Delhi House, 27, Barakhamba Road, New Delhi-110001, (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31 March, 2020 have been debarred or

disqualified from being appointed or continuing as Directors of the company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment of Company
1.	Omprakash Ramashankar Pathak	01428320	13/08/2013
2.	Ankit Rathi	01379134	01/08/2011
3.	Harish Kumar Chauhan	06857506	10/05/2014
4.	Preeti Sharma	06942133	12/08/2014

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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 & on behalf of M/s Pritika Nagi & Associates

**Sd/-
Pritika Nagi
Practicing Company Secretary
M. No.: 29544, CP No.: 11279**

**Date: 20.08.2020
Place: New Delhi**

UDIN : A029544B000599443



R C CHADDA & CO LLP
CHARTERED ACCOUNTANTS
LLP Identification No. : AAB-4836
(Registered with Limited Liability)

A-27, Vivek Vihar,
Phase-II, Delhi-110095
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Email: rccandco@gmail.com

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 2020, 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 as required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, and its profit, 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 ("the ICAI") 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 there under, 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



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responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 are 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.

The board of Directors is also responsible for overseeing the company's financial reporting process.

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 "Annexure B", 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 account.
 - (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.



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- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 has impact on its financial position in its financial statements.
 - ii. The Company did not have any long-term contract including derivative contract for which there were any material foreseeable losses.
 - iii. There was no amount which was 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)

Sd/-
(BHISHM MADAN)
(PARTNER)
M. No. 524462
Place: New Delhi
Date: 21.07.2020

UDIN: 20524462AAAADW4321



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"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S 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 system 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, then 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 achieve 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.



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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)

Sd/-
(BHISHM MADAN)
(PARTNER)
M. No. 524462
Place: New Delhi
Date: 21.07.2020

UDIN: 20524462AAAADW4321



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"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure B referred to in the Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31st March 2020, 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 discrepancy was noticed on such verification.
c) Title deed of the immovable property is 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 secured loan 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. According to the information and explanations given to us, there is no undisputed statutory dues outstanding as at 31st March 2020 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 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 holder.
9. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loan during the years, hence clause (ix) of paragraph 3 of the Order regarding default is not applicable to the Company.



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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 approvals 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 transaction 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)

Sd/-
(BHISHM MADAN)
(PARTNER)
M. No. 524462
Place: New Delhi
Date: 21.07.2020

UDIN: 20524462AAAADW4321



R C CHADDA & CO LLP
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"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 the Company" as of 31st March 2020 in conjunction with our audit of the Standalone Financial Statements 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 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 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 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 the 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 ICAI. 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



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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 31st March 2020, 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 ICAI.

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

Sd/-
(BHISHM MADAN)
(PARTNER)
M. No. 524462
Place: New Delhi
Date: 21.07.2020

UDIN: 20524462AAAADW4321

BITS LIMITED
CIN - L72200DL1992PLC241971
BALANCE SHEET AS AT 31ST, MARCH 2020

Figures in Thousand

Particulars			Note No.	Figures as at March 31, 2020	Figures as at March 31, 2019
ASSETS					
Non-current assets					
(a) Property, Plant and equipments			2	19,376	19,919
(b) Investment property					
(c) Other Intangible assets					
(d) Intangible assets under development					
(e) Financial assets					
(i) Investments			3	20,083	20,083
(iii) Loans			4	108,407	108,118
(ii) Trade Receivables			5	32,751	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	32	509
(iv) Bank balances other than (iii) above					
(v) Loans					
(vi) Others					
(c) Current Tax Assets (Net)			7	1,094	1,098
(d) Other current assets			8	478	692
Total Assets				182,221	183,170
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share Capital			9	223,750	223,750
(b) Other Equity			10	(49,570)	(49,574)
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	8,041	8,994
(c) Provisions					
Total Equity and Liabilities				182,221	183,170

SIGNIFICANT ACCOUNTING POLICIES

1

ADDITIONAL INFORMATION

16

THE NOTE NOS 1 TO 16 ARE INTEGRATED PART OF FINANCIAL STATEMENTS

IN TERMS OF OUR AUDIT REPORT
OF EVEN DATE ATTACHED

FOR R C CHADDA & CO LLP
CHARTERED ACCOUNTANTS
FRN 003151N

FOR & ON BEHALF OF BOARD

Sd/-
BHISHM MADAN
(PARTNER)
M. NO. 524462

Sd/-
OMPRAKASH R. PATHAK
(MANAGING DIRECTOR)
DIN - 01428320

Sd/-
ANKIT RATHI
(DIRECTOR)
DIN - 01379134

PLACE : NEW DELHI
DATE : 21-07-2020

Sd/-
SACHIN SHARMA
(CFO)

Sd/-
SURENDER SINGH TANGAR
(COMPANY SECRETARY)

BITS LIMITED
CIN - L72200DL1992PLC241971
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED YEAR ENDED MARCH 31, 2020

Figures in Thousand

Particulars	Note No.	Figures as at the end of March 31, 2020	Figures as at the end of March 31, 2019
INCOME			
Revenue from operations	12	7,346	7,240
Other income	13	72	-
Total income		7,418	7,240
EXPENSES			
Employee benefit expenses	14	2,208	1,925
Finance costs		-	-
Depreciation and amortisation expenses		572	564
Other expenses	15	4,633	4,201
Total expenses		7,413	6,690
Profit before exceptional items and tax			
Exceptional items			
Profit before tax		5	550
Tax expense			
Current tax		1	-
Prior Period Tax		-	94
Deferred tax			
Total tax expense		1	94
Profit for the year		4	456
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		4	456
Earnings per equity share of Rs. 2/- Each			
Basic		0.00004	0.004
Diluted		0.00004	0.004

SIGNIFICANT ACCOUNTING POLICIES

1

ADDITIONAL INFORMATION

16

NOTE NO 1 TO 16 ARE INTEGRATED PART OF FINANCIAL STATEMENTS

IN TERMS OF OUR AUDIT REPORT
OF EVEN DATE ATTACHED

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Sd/-
SURENDER SINGH TANGAR
(COMPANY SECRETARY)

BITS LIMITED
CIN - L72200DL1992PLC241971
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

Figures in Thousand

Particulars	Note	2019-20	2018-19
A: CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		5	550
Adjustments for:			
Add:			
Depreciation & amortisation expenses		572	564
Finance costs			
Loss on disposal of property, plant & equipment			
Profit on sale of Investments			
Unrealised exchange rate difference			
		577	1,114
Less:			
Dividend received			
Interest income from financial assets measured at amortised 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			352
(Increase)/decrease in trade receivables			
(Increase)/decrease in other financial assets			
(Increase)/decrease in other assets		218	-545
(Increase)/decrease in loans & advances			
Increase/(decrease) in non-current loans		-289	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		-953	-796
Increase/(decrease) in current provisions			
Increase/(decrease) in non-current provisions			
		-1,024	-642
Cash generated from operations			
Less:			
Income tax paid (net of refund)		-1	-94
Net cash flow from operating activities	A	-448	378
B: CASH FLOW FROM INVESTING ACTIVITIES			
Payment to acquire property, plant & equipments		-29	-150
Proceeds from disposal of equity instruments measured at FVOCI			
(Increase)/decrease in Investment			
Proceeds from redemption of Preference shares measured at FVPL			
Sale of Fixed Assets			-466
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 amortised cost			
Dividend received			
CASH FLOW FROM INVESTING ACTIVITIES		-29	-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		0	
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		0	0
Net increase/(decrease) in cash & cash equivalents	A+B+C	-477	-238
Cash & cash equivalents at the beginning of the financial year		509	747
Cash & cash equivalents at the end of the financial year		32	509

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

Sd/-
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(PARTNER)
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DIN - 01428320

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PLACE : NEW DELHI
DATE : 21-07-2020

Sd/-
SACHIN SHARMA
(CFO)

Sd/-
SURENDER SINGH TANGAR
(COMPANY SECRETARY)

BITS LIMITED
CIN - L72200DL1992PLC241971
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

A: Equity share capital

Figures in Thousand

Particulars	Note	Amount
As at April 1, 2018		111,875
Changes in Equity share capital during the year		-
As at March 31, 2019		111,875
Changes in Equity share capital during the year		-
As at March 31, 2020		111,875

B: Other equity

Particulars	RESERVE & SURPLUS				
	General Reserve	Security Premium	Profit & Loss Account	Others reserves	Total other equity
As at April 1, 2018	1,000.00	248,750.00	(299,779.82)	-	(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 & Transactions with owners in their capacity as owners	-	-	-	-	-
Dividend paid(including dividend distribution tax)	-	-	-	-	-
As at March 31, 2019	1,000.00	248,750.00	(299,323.77)	-	(49,573.77)
Profit for the year	-	-	4.43	-	4.43
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-
Hedging gain/(loss) reclassified to statement of profit & Transactions with owners in their capacity as owners	-	-	-	-	-
Dividend paid(including dividend distribution tax)	-	-	-	-	-
As at March 31, 2020	1,000.00	248,750.00	(299,319.34)	-	(49,569.34)

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

Sd/-
BHISHM MADAN
(PARTNER)
M. NO. 524462

Sd/-
OMPRAKASH R. PATHAK
(MANAGING DIRECTOR)
DIN - 01428320

Sd/-
ANKIT RATHI
(DIRECTOR)
DIN - 01379134

PLACE : NEW DELHI
DATE : 21-07-2020

Sd/-
SACHIN SHARMA
(CFO)

Sd/-
SURENDER SINGH TANGAR
(COMPANY SECRETARY)

BITS LTD.

CIN-L72200DL1992PLC241971

NOTE-1

SIGNIFICANT ACCOUNTING POLICIES AS AT MARCH 31, 2020

1. Basis of preparation :

i) Historical cost convention :

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

ii) 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.

IND AS 01 : Presentation of Financial Statements

IND AS 01 has been applied in preparing and presenting, General purpose Financial Statements. 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 Statements.

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

The Company does not deal in inventory hence IND AS 2 is not applicable.

IND AS 07 : Statement of Cash Flows

Statement of Cash Flows 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 amount expected to be paid to tax authorities.

Deferred tax asset is recognised for all deductible temporary differences 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 24 : Related Party Disclosures

Disclosures of related party relationships, transactions 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 on 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.

IND AS 115 : Revenue from contract with customers

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.

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, 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
Additions	-	29	-	-	-	-	-	-	29
Disposals	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	2,340	396	1,831	34,026	58	12	225	27,091	65,978
Depreciation/Ammortisation									
Balance as at April 1, 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
Charge	-	49	-	-	6	2	-	515	572
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	2,223	283	1,739	33,430	54	12	213	8,649	46,603
Net carrying value as at April 1, 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
Net carrying value as at March 31, 2020	117	113	92	596	4	0	12	18,442	19,376

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.

BITS LIMITED CIN - L72200DL1992PLC241971 NOTES TO THE ACCOUNTS		Figures as at March 31, 2020	Figures as at March 31, 2019
NOTE-3			
FINANCIAL ASSETS			
INVESTMENT			
INVESTMENT IN EQUITY INSTRUMENTS			
QUOTED :			
EQUITY SHARES OF STG LIFECARELTD 1000000 Equity shares of Rs 10/- each (Pr. Year 1000000 Equity shares of Rs 10/- each)		1,050	1,050
EQUITY SHARES OF LANCO INFRATECH LTD 99000 Equity shares of Rs 1/- each (Pr. Year 99000 Equity shares of Rs 1/- each)		108	108
EQUITY SHARES OF STANPACKS (INDIA) LTD 55964 Equity shares of Rs 10/- each (Pr. Year 43140 Equity shares of Rs 10/- each)		325	325
EQUITY SHARES OF VBC FERRO ALLOY LTD 9985 Equity shares of Rs 10/- each (Pr. Year 9985 Equity shares of Rs 10/- each)		370	370
EQUITY SHARES OF WELCURE DRUGS PHARMACEUTICALS LTD 495475 Equity shares of Rs 10/- each (Pr. Year 495475 Equity shares of Rs 10/- each)		699	699
EQUITY SHARES OF SHRI LAKSHMI COTSYN LTD 319735 Equity shares of Rs 10/- each (Pr. Year 319735 Equity shares of Rs 10/- each)		579	579
UNQUOTED :			
EQUITY SHARES OF MILI INVESTMENT & TRADERS PVT. LTD. 500 Equity shares of Rs 10/- each (Pr. Year 500 Equity shares of Rs 10/- each)		5	5
EQUITY SHARES OF UJJWAL INFRASTRUCTURE PVT LTD. 4500 Equity shares of Rs 10/- each		45	45
EQUITY SHARES OF SFS GLOBAL LTD. 3000 Equity shares of Rs 10/- each (Pr. Year 3000 Equity shares of Rs 10/- each)		1,500	1,500
EQUITY SHARES OF ALPS ENERGY PVT. LTD. 370000 Equity shares of Rs 10/- each)		352	352
PREFERENCE SHARES OF UJJWAL LTD 150000 Preference Shares of Rs 100/- each (PY: 150000 Preference Shares Partly Paid Up) (ASSOCIATE COMPANY)		15,000	15,000
		20,033	20,033
INVESTMENTS IN PRUIENT SOLUTIONS LLP Details of Partners : Bits Ltd. : 50% Vizwise Commerce Pvt Ltd : 50%		50	50
		20,083	20,083

BITS LIMITED		
CIN - L72200DL1992PLC241971		
NOTES TO THE ACCOUNTS		
	Figures as at March 31, 2020	Figures as at March 31, 2019
NOTE-4		
<u>LONG TERM LOANS & ADVANCES</u>		
<u>LOANS & ADVANCES TO RELATED PARTIES</u>		
- UNSECURED CONSIDERED GOOD	77,764	77,862
<u>OTHER LONG TERM LOANS & ADVANCES</u>		
- UNSECURED CONSIDERED GOOD	30,643	30,256
	<u>108,407</u>	<u>108,118</u>
LOANS & ADVANCES STATED ABOVE INCLUDES AMOUNTS DUE BY:		
-PRIVATE COMPANIES IN WHICH DIRECTOR IS A DIRECTOR	77,764	77,862
NOTE-5		
<u>TRADE RECIEVABLES</u>		
TRADE RECIEVABLES OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS FROM THE DATE THEY ARE DUE FOR PAYMENT		
- UNSECURED CONSIDERED GOOD	32,751	32,751
	<u>32,751</u>	<u>32,751</u>
NOTE-6		
<u>CASH & CASH EQUIVALENTS</u>		
CASH IN HAND	12	478
<u>BALANCE WITH BANKS:</u>		
IN CURRENT ACCOUNT	20	31
	<u>32</u>	<u>509</u>
NOTE-7		
<u>CURRENT TAX ASSETS (NET)</u>		
TAX DEDUCTED AT SOURCE	1,094	1,098
	<u>1,094</u>	<u>1,098</u>
NOTE-8		
<u>OTHER CURRENT ASSETS</u>		
DEPOSITS	478	478
AMOUNT RECEIVABLE	-	214
	<u>478</u>	<u>692</u>

BITS LIMITED				Figures as at	Figures as at
CIN - L72200DL1992PLC241971				March 31, 2020	March 31, 2019
NOTES TO THE ACCOUNTS					
NOTE - 9					
<u>EQUITY SHARE CAPITAL</u>					
<u>AUTHORIZED SHARE CAPITAL</u>					
201250000 EQUITY SHARES OF RS. 2/-EACH				402,500	402,500
(PR. YEAR 201250000 EQUITY SHARES OF RS. 2/-EACH)					
<u>ISSUED, SUBSCRIBED & PAID UP</u>					
111875000 EQUITY SHARES OF RS. 2/-EACH				223,750	223,750
(PR. YEAR 111875000 EQUITY SHARES OF RS. 2/-EACH)					
				223,750	223,750
DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF PAID UP EQUITY SHARE CAPITAL					
SHAREHOLDER		31.03.2020	31.03.2019	AS AT 31.03.2020	AS AT 31.03.2019
		NO. OF SHARES	NO. OF SHARES	PERCENTAGE	PERCENTAGE
VIZWISE COMMERCE PRIVATE LIMITED		72799186	72799186	65.07	65.07
SHARE RECONCILIATION STATEMENT					
		AS AT 31.03.2020		AS AT 31.03.2019	
PARTICULARS		EQUITY		EQUITY	
SHARES OUTSTANDING AT THE BEGINNING OF THE YEAR		111,875,000		111,875,000	
SHARES ISSUED DURING THE YEAR		-		-	
SHARES BOUGHT BACK DURING THE YEAR		-		-	
SHARES OUTSTANDING AT THE END OF THE YEAR		111,875,000		111,875,000	
PARTICULAR	2019-20	2018-19	2017-18	2016-17	2015-16
Equity Shares :					
Fully Paid Up pursuant to Contract Without Payment					
being Received in Cash	-	-	-	-	-
Fully Paid Up By way of Bonus	-	-	-	-	-
Shares bought Back	-	-	-	-	-
NOTE - 10					
<u>RESERVES AND SURPLUS</u>					
SHARE PREMIUM				248,750	248,750
GENERAL RESERVE				1,000	1,000
<u>PROFIT & LOSS ACCOUNT</u>					
OPENING BALANCE				(299,324)	(299,780)
ADD: PROFIT/(LOSS) OF CURRENT YEAR				4.0	456
CLOSING BALANCE				(299,320)	(299,324)
				(49,570)	(49,574)
NOTE -11					
<u>OTHER CURRENT LIABILITIES</u>					
OTHER LIABILITIES				8,019	8,972
AUDIT FEES PAYABLE				22	22
				8,041	8,994

	AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2019
<u>NOTE-12</u>		
<u>REVENUE FROM OPERATIONS</u>		
RENT	7,346	7,240
	<u>7,346</u>	<u>7,240</u>
<u>NOTE-13</u>		
<u>OTHER INCOME</u>		
INTEREST ON INCOME TAX REFUND	37	-
MISC. INCOME	35	-
	<u>72</u>	<u>-</u>
<u>NOTE-14</u>		
<u>EMPLOYEE BENEFIT EXPENSES</u>		
SALARY & ALLOWANCES	1,451	1,228
DIRECTOR SALARY	635	575
STAFF WELFARE	24	36
BONUS	98	86
	<u>2,208</u>	<u>1,925</u>
<u>NOTE-15</u>		
<u>OTHER EXPENSES</u>		
CONVEYANCE	97	85
ELECTRICITY EXPENSES	30	30
POSTAGE & COURIER	42	48
BANK CHARGES	2	2
MEETING EXPENSES	5	10
COMMISSION	-	34
CDSL	85	85
WEBSITE EXPENSES	-	1
RENT PAID	684	684
RTA EXPENSES	1	1
TOUR & TRAVELLING EXP.	69	110
LISTING FEES	300	250
OFFICE EXPENSES	14	64
AUDITORS REMUNERATION	22	22
LEGAL & PROFESSIONAL CHARGES	1,191	686
LATE FILING FEE	0.05	-
INCOME TAX DEMAND	3	-
MISCELLANEOUS EXPENSES	26	-
PRINTING & STATIONERY	173	161
PUBLISHING FEES	34	57
REPAIR & MAINTAINENCE	496	385
PROPERTY TAX	655	985
INSURANCE CHARGES	1	2
FILING FEES	10	9
TELEPHONE EXP.	8	11
EDP EXP.	17	2
SITING FEES	606	432
DIWALI EXPENSES	-	7
E VOTING CHARGES	16	29
SEWERAGE & WATER TAX	45	7
	<u>4,634</u>	<u>4,201</u>

BITS LTD.

CIN-L72200DL1992PLC241971

NOTE-16

(Figures in Thousand)

OTHER ADDITIONAL INFORMATION as at MARCH 31, 2020:

1. CONTINGENT LIABILITIES :

- i) Claims against the company not acknowledged as debts Nil, Previous Year Nil.
- ii) Guarantees to Bank and Financial Institutions against credit facilities extended to third parties Nil, Previous Year Nil.
- iii) Other money for which the company is contingently liable Nil, Previous Year Nil.

2. COMMITMENTS ON CAPITAL ACCOUNTS :

- i) Uncalled liability on partly paid-up shares - Nil, Previous Year Nil.
- ii) Estimated amount of contracts remaining to be executed on capital accounts - Nil, Previous year Nil.
- iii) Other Commitments Nil, Previous year Nil.

3. The figures of the previous year have been regrouped /recast wherever necessary to correspond with current year figures.

4. 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 otherwise elsewhere.

5. REMUNERATION TO AUDITOR :

Particulars	Current Year	Previous Year
	2019-20	2018-19
Statutory Audit Fee	Rs. 22.00/-	Rs. 22.00/-
Certification	Rs. 3.50/-	Rs. 3.50/-
Total	Rs. 25.50/-	Rs.25.50/-

6. DIRECTORS' REMUNERATION :

Particulars	Current Year	Previous Year
	2019-20	2018-19
Directors Remuneration	Rs. 635.00/-	Rs. 577.40/-
Bonus	Rs. 26.70/-	Rs. 24.25/-
Total	Rs. 661.70/-	Rs. 601.65/-

7. 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)

8. According to the information available with the company, there is no amount due to Micro, Small & Medium Enterprises as at 31st March, 2020.

9. 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

Om Prakash Pathak
Ankit Rathi
Surender Singh Tangar
Sachin Sharma

D. Related Party Transactions

Maximum Particulars	Opening Balance	Recd.		Paid Balance	Closing Outstanding
Vizwise Commerce Pvt Ltd	77862.25/-Dr	97.81	Nil	77764.41 Dr	77862.25/-
Ujjwal Ltd	6255.00/- Dr	Nil	Nil	6255.00/-Dr	6255.00/-

Payments to Director Rs. 661.70/- Previous Year Rs. 601.65/-.

10. 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.

11. ACCOUNTING FOR TAXES ON INCOME :

In accordance with IND AS 12 there is no deferred taxes liability/assets during the year, however there are brought forward business loss and unabsorbed depreciation on which deferred tax assets emerge. Which has not been recognised as there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

12. Note 1 to 16 forms an integral part of the accounts for the year ended March 31, 2020.

13. All the figures are in thousands.

As per our audit report of even date attached

For **R C CHADDA & CO LLP**
Chartered Accountants
FRN: 003151N

For & On behalf of Board of Directors

Sd/-
BHISHM MADAN
(Partner)
Membership No. 524462

Sd/-
Omprakash R. Pathak
(Managing Director)
DIN-01428320

Sd/-
Ankit Rathi
(Director)
DIN-01379134

Place: New Delhi
Date: 21.07.2020

Sd/-
Sachin Sharma
(CFO)

Sd/-
Surender Singh Tangar
(Company Secretary)



R C CHADDA & CO LLP
CHARTERED ACCOUNTANTS

LLP Identification No. : AAB-4836
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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 associate companies, which are companies incorporated in India, which comprise the Consolidated Balance Sheet as at 31st March 2020, 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 31st March 2020, 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 the Institute of Chartered Accountants of India ("the 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



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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 Companies Act, 2013 ("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 are 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.



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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 31st March 2020 taken on record by the Board of Directors of the Company and its associate companies, which are companies 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 31st March 2020 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 companies, which are 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:



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- i. The Company does not have any pending litigation which has impact on its financial position in its financial statements.
- ii. The company and its associate companies, which are companies incorporated in India 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
FRN 003151N

Sd/-
BHISHM MADAN
(PARTNER)
M. No. 524462

Place: New Delhi
Date: 21.07.2020

UDIN: 20524462AAAADX5033



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"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 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 system 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 associate 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, then 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.



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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 communication.

For R C CHADDA & CO. LLP
CHARTERED ACCOUNTANTS
FRN 003151N

Sd/-
BHISHM MADAN
(PARTNER)
M. No. 524462

Place: New Delhi
Date: 21.07.2020

UDIN: 20524462AAAADX5033



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"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 31st March 2020, we have audited the internal financial controls over financial reporting of the Holding Company and its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company and its associate companies, 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 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 companies, 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 ICAI 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.



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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 associate 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



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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 companies, 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 31st March 2020, 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
FRN 003151N

Sd/-
BHISHM MADAN
(PARTNER)
M. No. 524462

Place: New Delhi
Date: 21.07.2020

UDIN: 20524462AAAADX5033

BITS LIMITED
CIN - L72200DL1992PLC241971
CONSOLIDATED BALANCE SHEET AS AT 31ST, MARCH 2020

Figures in Thousand

Particulars			Note No.	Figures as at March 31, 2020	Figures as at March 31, 2019
ASSETS					
Non-current assets					
(a) Property, Plant and equipments			2	19,376	19,919
(b) Investment property					
(c) Other Intangible assets					
(d) Intangible assets under development					
(e) Financial assets					
(i) Investments			3	20,762	20,038
(iii) Loans			4	108,407	108,118
(ii) Trade Receivables			5	32,751	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	32	509
(iv) Bank balances other than (iii) above					
(v) Loans					
(vi) Others					
(c) Current Tax Assets (Net)			7	1,094	1,098
(d) Other current assets			8	478	692
Total Assets				182,900	183,125
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share Capital			9	223,750	223,750
(b) Other Equity			10	(48,890)	(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	8,041	8,994
(c) Provisions					
Total Equity and Liabilities				182,900	183,125

SIGNIFICANT ACCOUNTING POLICIES

1

ADDITIONAL INFORMATION

16

THE NOTE NOS 1 TO 16 ARE INTEGRATED PART OF FINANCIAL STATEMENTS

IN TERMS OF OUR AUDIT REPORT
OF EVEN DATE ATTACHED

FOR R C CHADDA & CO LLP
CHARTERED ACCOUNTANTS
FRN 003151N

FOR & ON BEHALF OF BOARD

Sd/-
BHISHM MADAN
(PARTNER)
M. NO. 524462

Sd/-
OMPRAKASH R. PATHAK
(MANAGING DIRECTOR)
DIN - 01428320

Sd/-
ANKIT RATHI
(DIRECTOR)
DIN - 01379134

PLACE : NEW DELHI
DATE : 21-07-2020

Sd/-
SACHIN SHARMA
(CFO)

Sd/-
SURENDRA SINGH TANGAR
(COMPANY SECRETARY)

BITS LIMITED
CIN - L72200DL1992PLC241971

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED YEAR ENDED MARCH 31, 2020

Figures in Thousand

Particulars	Note No.	Figures as at the end of March 31, 2020	Figures as at the end of March 31, 2019
INCOME			
Revenue from operations	12	7,346	7,240
Other income	13	72	-
Total income		7,418	7,240
EXPENSES			
Employee benefit expenses	14	2,208	1,925
Finance costs	15	-	-
Depreciation and amortisation expenses		572	564
Other expenses	16	4,633	4,201
Total expenses		7,413	6,690
Profit before share of profit/(loss) of an associate		5	550
Share of profit/(loss) of an associate		724	(45)
Profit before exceptional items and tax		729	505
Exceptional items			
Profit before tax		729	505
Tax expense			
Current tax		1	-
Prior Period Tax		-	94
Deferred tax			
Total tax expense		1	94
Profit for the year		728	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		728	411
Earnings per equity share of Rs. 10/- Each			
Basic		0.0065	0.004
Diluted		0.0065	0.004

SIGNIFICANT ACCOUNTING POLICIES

1

ADDITIONAL INFORMATION

16

NOTE NO 1 TO 16 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

Sd/-
BHISHM MADAN
(PARTNER)
M. NO. 524462

Sd/-
OMPRAKASH R. PATHAK
(MANAGING DIRECTOR)
DIN - 01428320

Sd/-
ANKIT RATHI
(DIRECTOR)
DIN - 01379134

PLACE : NEW DELHI
DATE : 21-07-2020

Sd/-
SACHIN SHARMA
(CFO)

Sd/-
SURENDRA SINGH TANGAR
(COMPANY SECRETARY)

BITS LIMITED
CIN - L72200DL1992PLC241971
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

Figures in Thousand

Particulars	Note	2019-20	2018-19
A: CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		728	505
Adjustments for:			
Add:			
Depreciation & amortisation expenses		572	564
Finance costs			
Loss on disposal of property, plant & equipment			
Share in net profit/(loss) of associate		724	-45
Profit on sale of Investments			
Unrealised exchange rate difference			
		576	1,114
Less:			
Dividend received			
Interest income from financial assets measured at amortised 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			352
(Increase)/decrease in trade receivables			
(Increase)/decrease in other financial assets			
(Increase)/decrease in other assets		218	-545
(Increase)/decrease in loans & advances			
Increase/(decrease) in non-current loans		-289	347
Increase/(decrease) in Current Liabilities			
Cash Generated from Operations			
Tax Paid			
Increase/(decrease) in trade payables			
Increase/(decrease) in other current liabilities		-952	-796
Increase/(decrease) in non-current provisions			
		-1,023	-642
Cash generated from operations			
Less:			
Income tax paid(net of refund)		-1	-94
Net cash flow from operating activities	A	-448	378
B: CASH FLOW FROM INVESTING ACTIVITIES			
Payment to acquire property, plant & equipments		-29	-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			
Purchase of Fixed Assets			
Proceeds/(Payment) from fixed deposits			
Proceeds from disposal of property, plant & equipments			
Interest received on financial assets measured at amortised cost			
Dividend received			
CASH FLOW FROM INVESTING ACTIVITIES		-29	-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		0	0
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		0	0
Net increase/(decrease) in cash & cash equivalents	A+B+C	-477	-238
Cash & cash equivalents at the beginning of the financial year		509	747
Cash & cash equivalents at the end of the financial year		32	509

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

Sd/-
BHISHM MADAN
(PARTNER)
M. NO. 524462

Sd/-
OMPRAKASH R. PATHAK
(MANAGING DIRECTOR)
DIN - 01428320

Sd/-
ANKIT RATHI
(DIRECTOR)
DIN - 01379134

PLACE : NEW DELHI
DATE : 21-07-2020

Sd/-
SACHIN SHARMA
(CFO)

Sd/-
SURENDRA SINGH TANGAR
(COMPANY SECRETARY)

BITS LIMITED
CIN - L72200DL1992PLC241971

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

A: Equity share capital

Figures in Thousand

Particulars	Note	Amount
As at April 1, 2018		111,875
Changes in Equity share capital during the year		-
As at March 31, 2019		111,875
Changes in Equity share capital during the year		-
As at March 31, 2020		111,875

B: Other equity

Particulars	RESERVE & SURPLUS				
	General Reserve	Security Premium	Profit & Loss Account	Others reserves	Total other equity
As at April 1, 2018	1,000.00	248,750.00	(284,634.09)	-	(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, 2019	1,000.00	248,750.00	(299,779.82)	-	(50,029.82)
Profit for the year	-	-	411.40	-	411.40
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, 2020	1,000.00	248,750.00	(299,368.42)	-	(49,618.42)

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

Sd/-
BHISHM MADAN
(PARTNER)
M. NO. 524462

Sd/-
OMPRAKASH R. PATHAK
(MANAGING DIRECTOR)
DIN - 01428320

Sd/-
ANKIT RATHI
(DIRECTOR)
DIN - 01379134

PLACE : NEW DELHI
DATE : 21-07-2020

Sd/-
SACHIN SHARMA
(CFO)

Sd/-
SURENDRA SINGH TANGAR
(COMPANY SECRETARY)

BITS LTD.

CIN-L72200DL1992PLC241971

Notes to the Consolidated Financial Statements

NOTE-1

SIGNIFICANT ACCOUNTING POLICIES AS AT MARCH 31, 2020

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 statements.

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

The Company does not deal in inventory hence IND AS 2 is not applicable.

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 are 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 asset is recognised for all deductible temporary differences 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 on 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

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, 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
Additions	-	29	-	-	-	-	-	-	29
Disposals	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	2,340	396	1,831	34,026	58	12	225	27,091	65,978
Depreciation/Ammortisation									
Balance as at April 1, 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
Charge	-	49	-	-	6	2	-	515	572
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	2,223	283	1,739	33,430	54	12	213	8,649	46,603
Net carrying value as at April 1, 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
Net carrying value as at March 31, 2020	117	113	92	596	4	0	12	18,442	19,376

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.

BITS LIMITED		
CIN-L72200DL1992PLC241971		
CONSOLIDATED NOTES TO THE ACCOUNTS	Figures as at March 31, 2020	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	1,050
1000000 Equity shares of Rs 10/- each		
(Pr. Year 1000000 Equity shares of Rs 10/- each)		
EQUITY SHARES OF LANCO INFRASTRUCTURE 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	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	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.	724	-
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	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)		
(ASSOCIATE COMPANY)	15,000	15,000
	20,712	19,988
INVESTMENTS IN PRUIENT SOLUTIONS LLP	50	50
Details of Partners :		
Bits Ltd. : 50%		
Vizwise Commerce Pvt Ltd : 50%		
	20,762	20,038

CONSOLIDATED NOTES TO THE ACCOUNTS

Figures as at March 31, 2020 Figures as at March 31, 2019

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

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

402,500 402,500

ISSUED, SUBSCRIBED & PAID UP

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

223,750 223,750

223,750 223,750

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

SHAREHOLDER	31.03.2020	31.03.2019	AS AT 31.03.2020	AS AT 31.03.2019
	NO. OF SHARES	NO. OF SHARES	PERCENTAGE	PERCENTAGE
VIZWISE COMMERCE PRIVATE LIMITED	72799186	72799186	65.07	65.07

SHARE RECONCILIATION STATEMENT

AS AT 31.03.2020 AS AT 31.03.2019

PARTICULARS	EQUITY	EQUITY
SHARES OUTSTANDING AT THE BEGINNING OF THE YEAR	111,875,000	111,875,000
SHARES ISSUED DURING THE YEAR	-	-
SHARES BOUGHT BACK DURING THE YEAR	-	-
SHARES OUTSTANDING AT THE END OF THE YEAR	111,875,000	111,875,000

PARTICULAR

2019-20

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

-

-

NOTE - 10**RESERVES AND SURPLUS**

SHARE PREMIUM

248,750

248,750

GENERAL RESERVE

1,000

1,000

PROFIT & LOSS ACCOUNT

OPENING BALANCE

(299,369)

(299,780)

ADD: PROFIT/(LOSS) OF CURRENT YEAR

728

411

CLOSING BALANCE

(298,640)

(299,369)

(48,890)

(49,619)

NOTE -11**OTHER CURRENT LIABILITIES**

OTHER LIABILITIES

8,019

8,972

AUDIT FEES PAYABLE

22

22

8,041

8,994

CONSOLIDATED NOTES TO THE ACCOUNTS	AS AT	AS AT
	31ST MARCH, 2020	31ST MARCH, 2019
<u>NOTE-12</u>		
<u>REVENUE FROM OPERATIONS</u>		
RENT	7,346	7,240
	<u>7,346</u>	<u>7,240</u>
<u>NOTE-13</u>		
<u>OTHER INCOME</u>		
INTEREST ON INCOME TAX REFUND	37	-
MISC. INCOME	35	-
	<u>72</u>	<u>-</u>
<u>NOTE-14</u>		
<u>EMPLOYEE BENEFIT EXPENSES</u>		
SALARY & ALLOWANCES	1,451	1,228
DIRECTOR SALARY	635	575
STAFF WELFARE	24	36
BONUS	98	86
	<u>2,208</u>	<u>1,925</u>
<u>NOTE-15</u>		
<u>FINANCIAL COSTS</u>		
BANK CHARGES		2
INTEREST ON SERVICE TAX		-
INTEREST ON TDS		0
		<u>2</u>
<u>NOTE-16</u>		
<u>OTHER EXPENSES</u>		
CONVEYANCE	97	85
ELECTRICITY EXPENSES	30	30
POSTAGE & COURIER	42	48
BANK CHARGES	2	2
MEETING EXPENSES	5	10
COMMISSION	-	34
CDSL	85	85
WEBSITE EXPENSES	-	1
RENT PAID	684	684
RTA EXPENSES	1	1
TOUR & TRAVELLING EXP.	69	110
LISTING FEES	300	250
OFFICE EXPENSES	14	64
AUDITORS REMUNERATION	22	22
LEGAL & PROFESSIONAL CHARGES	1,191	686
LATE FILING FEE	0	-
INCOME TAX DEMAND	3	-
MISCELLANEOUS EXPENSES	26	-
PRINTING & STATIONERY	173	161
PUBLISHING FEES	34	57
REPAIR & MAINTAINENCE	496	385
PROPERTY TAX	655	985
INSURANCE CHARGES	1	2
FILING FEES	10	9
TELEPHONE EXP.	8	11
EDP EXP.	17	2
SITING FEES	606	432
DIWALI EXPENSES	-	7
E VOTING CHARGES	16	29
SEWERAGE & WATER TAX	45	7
	<u>4,633</u>	<u>4,201</u>

BITS LTD.

CIN-L72200DL1992PLC241971

NOTE-17

(Figures in Thousand)

OTHER ADDITIONAL INFORMATION as at MARCH 31, 2020:

- 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 otherwise elsewhere.

A. Remuneration to Auditor's :-

Particulars	Current Year	Previous Year
	2019-20	2018-19
Statutory Audit Fee	Rs. 22.00/-	Rs. 22.00/-
Certification	Rs. 3.50/-	Rs. 3.50/-
Total	Rs. 25.50/-	Rs.25.50/-

B. Director's Remuneration

Particulars	Current Year	Previous Year
	2019-20	2018-19
Directors Remuneration	Rs. 635.00/-	Rs. 577.40/-
Bonus	Rs. 26.70/-	Rs. 24.25/-
Total	Rs. 661.70/-	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**
- ii) Earning in Foreign Currency NIL
- iii) Expenditure in Foreign Currency NIL

- 4) According to the information available with the company, there is no amount due to Micro, Small & Medium Enterprises as at 31st March, 2020.

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 Rathi

Surendra Singh Tangar

Sachin Sharma

D. **Related Party Transactions**

Maximum Particulars	Opening Balance	Recd.		Paid Balance	Closing Out standing
Vizwise Commerce Pvt Ltd	77862.25/-Dr	97.81	Nil	77764.41 Dr	77862.25/-
Ujjwal Ltd	6255.00/- Dr	Nil	Nil	6255.00/-Dr	6255.00/-

Payments to Director Rs. 661.70/- Previous Year Rs. 601.65-.

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, 2020.

11) All the figures are in thousands.

12)

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	31.03.2020	4500	45	30%	Nil	Nil	Nil

As per our audit report of even date attached

For R C CHADDA & CO LLP

Chartered Accountants

FRN: 003151N

Sd/

BHISHM MADAN

(Partner)

Membership No. 524462

For & On behalf of Board of Directors

Sd/-

Omprakash R. Pathak

(Managing Director)

DIN-01428320

Sd/-

Ankit Rathi

(Director)

DIN-01379134

Place: New Delhi

Date: 21.07.2020

Sd/-

Sachin Sharma

(CFO)

Sd/-

Surendra Singh Tangar

(Company Secretary)