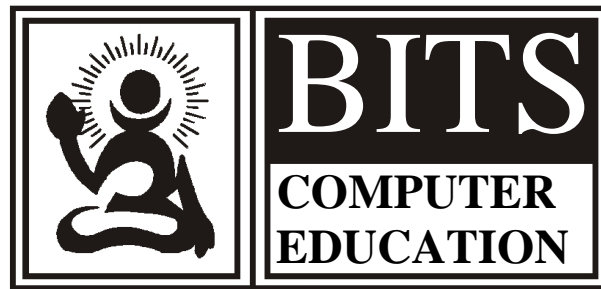




BITS Limited

Annual Report 2010-2011



NINETEENTH ANNUAL REPORT

2010-2011

Registered Office:

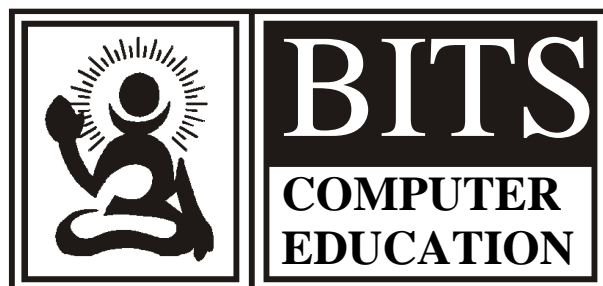
BITS Limited

*23, Great Western Building, 1st Floor,
130/132, Shahid Bhagat Singh Road,
Fort, Mumbai-400 023*



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NINETEENTH ANNUAL REPORT

2010-2011

Friday, 30th September, 2011

**At 4.00 P.M at 23, Great Western Building, 1st Floor 130/ 132,
Shahid Bhagat Singh Road, Fort, Mumbai- 400 023.**

Board of Directors: Mr. Ram Kumar Yadav - Whole time Director
Mr. Akhilesh Chandra Khare
Mr. Ankit Rathi
Mr. Kapil Kumar
Mr. Ashok Agarwal

Registered Office: 23, Great Western Building, 1st Floor,
130/ 132, Shahid Bhagat Singh Road,
Fort, Mumbai- 400 023.

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

Registrar & Transfer Agent: **Mas Services Limited**
T-34, Okhla Industrial Area,
Phase-II, New Delhi-110020
Phone No.: 011-26387281/82/83
Fax No.: 011-26387384
Email ID: info@masserv.com
Contact Person: Mr. Shravan Mangla



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Bankers:

Standard Chartered Bank

Barakhamba Road, New Delhi-110001

Royal Bank of Scotland

Hansalaya 15, Barakhamba Road

New Delhi-110001

Development Credit Bank

Fort, Mumbai – 400 023



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2. Directors' Report
3. Management Discussion & Analysis
4. Report on Corporate Governance
5. Auditor's Certificate
6. Auditor's Report
7. Balance Sheet
8. Profit & Loss Account
9. Schedules Annexed to Balance Sheet & Notes to Accounts
10. Proxy Form & Attendance Slip



NOTICE

NOTICE is hereby given to all members of **BITS LIMITED** that the Nineteenth Annual General Meeting of the Company will be held on Friday, the 30 day of September 2011, at the registered office of the Company at, 23, Great Western Building, 130/132, 1st Floor, SBS Road, Apollo Street, Fort, Mumbai-400023 at 4.00 P.M.

ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Balance Sheet for the year as at 31st March, 2011 and Profit and Loss Account of the company for the year ended 31st March, 2011 and the Report's of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri. Kapil Kumar, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s Soni Gulati & Co., Chartered Accountants as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration

SPECIAL BUSINESSES:

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

“RESOLVED THAT Mr. Akhilesh Chandra Khare, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

“RESOLVED THAT Mr. Ankit Rathi, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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



“RESOLVED THAT pursuant to the provisions of Section-372A and other applicable provisions, if any, of the Companies Act, 1956, approval of the members be and is hereby accorded to the Board of directors of the Company for making investment in M/s ALPS Energy Private Limited, M/s Snowflakes Meditech Private Limited, M/s Prolab Marketing Private Limited, M/s Topclass Enterprises Private Limited, M/s Image Brickwork Private Limited subject to a maximum amount not exceeding Rs 5,00,00,000/- each company at any time in one or more trenches, excluding the amount of loans already given and investments already made by the company in other bodies corporate, either through subscription or through acquisition from secondary market.

RESOLVED FURTHER THAT Mr. Ashok Agarwal, Director of the Company, is authorized to do acts, deeds and things and to sign all such documents, papers and writing as may be necessary in this regard”

7. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section-293(1) (e) and other applicable provisions, if any, of the Companies Act, 1956, approval of the members be and is hereby accorded to the Board of directors of the Company for making donation of Rs. 1 crore in one or more trenches, to Devraha Foundation Trust , a Charitable Trust, formed under the Indian Trust Act, 1882.”

By Order of the Board
For Bits Limited

Sd/-

Place: Mumbai
Date: 10.08.2011

Ram Kumar Yadav
(Whole Time director)



NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE DEPOSITED, AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING. A BLANK PROXY FORM IS ATTACHED.**
2. The Explanatory Statement pursuant to section 173(2) of the Companies Act 1956 in respect of the Special Businesses under item no.5 and 6 is annexed hereto and forms part of this notice.
3. All documents referred to in the accompanying notice and explanatory statement are open for inspection at the Registered Office of the Company during the office hours on all working days between 11: 00 a.m. to 1: 00 p.m. upto the date of this Annual General Meeting.
4. Members / Proxies should bring the attendance slip sent herewith, duly filled in, for attending the meeting.
5. The Register of Members and Share Transfer Books shall remain closed on 29th September, 2011 and 30th September, 2011 (Both days inclusive).
6. Shareholders seeking any information with regard to accounts are requested to write to the Company at the earliest to keep the information ready.
7. Shareholders are requested to bring their copy of Annual Report to the Annual General Meeting.
8. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
9. Members may kindly note that no gift/gift coupons will be distributed at Annual General Meeting.
10. The Ministry of Corporate Affairs has introduced “Green Initiative” by allowing paperless compliances by the companies and has issued circulars stating the service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of Government in full measure, member who have not registered their e-mail addresses, so far are requested to register their e-mail addresses, in respect of electronic holdings with Depository through their concerned Depository Participant whereby the documents are permitted to be served on the members through electronic mode i.e. e-mail. This initiative is a step toward protection of environment and enabling faster communication with members. Members holding shares in physical form are requested to intimate their e-mail



address to M/s. Mas Services Limited either by info@masserv.com or by sending a communication at the M/s. Mas Services Limited, T-34, Okhla Industrail Area, Phase II, New Delhi-110020.

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

1.	Mr. Kapil Kumar	
	Date of Birth	10 th February, 1968
	Qualification	Under Graduate
	Expertise in Specific Functional area	Has an experience of about ten years in general trading.
	Directorship in other Company	1. Aaradhana Exports Ltd 2. K.K. Kargomail India Private Limited 3. Little Kingdom World Limited 4. Ujjwal Limited 5. Tactfull Investments Limited 6. Pan India Corporation Limited
	Date of Appointment	29/09/2009
	Shareholding in the Company	Nil



EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM No. 4 to 7 OF ACCOMPANYING NOTICE ARE AS UNDER.

ITEM NO. 4

Mr. Akhilesh Chandra Khare, was appointed as an additional Director of the Company w.e.f. 01.08.2011 and holds the office upto the date of this Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956 and Articles of Association of the Company. Notice under Section 257 of the said Act has been received from a member along with the deposit of Rs.500/- signifying his intention to propose the name of Mr. Akhilesh Chandra Khare, for appointment as a Director of the Company. Mr. Akhilesh Chandra Khare, has already filed his consent, to act as a Director, with the Company.

The Resolution as set out in item No. 4 of the Notice will be placed before the meeting for the approval of the members.

Your Directors recommend the approval of proposed resolution by the Members.

None of the Directors of the Company is interested except Mr. Akhilesh Chandra Khare, in the resolution.

ITEM NO. 5

Mr. Ankit Rathi, was appointed as an additional Director of the Company w.e.f. 01.08.2011 and holds the office upto the date of this Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956 and Articles of Association of the Company. Notice under Section 257 of the said Act has been received from a member along with the deposit of Rs.500/- signifying his intention to propose the name of Mr. Ankit Rathi, for appointment as a Director of the Company. Mr. Ankit Rathi, has already filed his consent, to act as a Director, with the Company.

The Resolution as set out in item No. 5 of the Notice will be placed before the meeting for the approval of the members.

Your Directors recommend the approval of proposed resolution by the Members.

ITEM NO. 6



According to the provisions of Section 372A of the Companies Act, 1956, prior approval of the Company by way of a Special Resolution is required, if the Company proposes to make investment, loans, guarantees exceeding 60% of paid up share capital and free reserves or 100% of free reserves, whichever is higher.

The management of the Company feels that providing for such loans, guarantee or making investments is a common corporate practice to support the functioning and working of the associate companies. Also in order to execute the projects in hand, these Companies have obtained and further are expecting more financial facilities from Bank/ Financial Institution in future.

Your company has been approached by M/s ALPS Energy Private Limited, M/s Snowflakes Meditech Private Limited, M/s Prolab Marketing Private Limited, M/s Topclass Enterprises Private Limited, M/s Image Brickwork Private Limited as mentioned in the resolution to acquire by way of subscription, purchase or otherwise the securities of this company through own /surplus funds / internal accruals and or any other sources .

As providing of the above mentioned investment attract the provisions of Section 372A, hence the approval of the shareholders is required for the same and therefore the requirement of passing the above resolution as a Special resolution is necessary. Also specified in the resolution are the details of loans and investments made/proposed to be made.

None of the Directors of Company is deemed to be concerned or interested in the proposed resolution.

Your Directors recommend the passing of the above resolution as a Special Resolution.

ITEM NO. 7

Pursuant to section 293(1) (e) and other applicable provisions if any of the Companies Act, 1956 , the Company is required to take the approval of the shareholders in the General Meeting by passing an ordinary resolution, when contribution to a charitable and other funds not directly relating to the business of the Company or welfare of its employees, any amounts the aggregate of which will, in any financial year, exceeds fifty thousand rupees, or five per cent, of its average net profits as determined in accordance