

BITS LIMITED

24TH
ANNUAL REPORT
2015-2016



CORPORATE INFORMATION

Board of Directors:

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

Chairman and Director
 Whole Time Director
 Director
 Director

Registered Office:

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

Mumbai Office:

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

M/s Soni Gulati & Co.

Chartered Accountants
 G-79/212, Laxmi Nagar, Main Market,
 Delhi-110092.

Listed With Stock Exchange:

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

Registrar & Transfer Agents:

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

Bankers:

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

Yes Bank

Netaji Subhash Marg, Darya Ganj,
 New Delhi-110002

Dena Bank

N.S.Marg,Daryaganj,New Delhi-110002

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NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of the members of BITS LIMITED will be held at Plot No. 122, Mahalaxmi Vihar, Karawal Nagar, Delhi-110094 on Friday, 30th September 2016 at 11.00 A.M. (IST) to transact the following business:-

ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Financial Statement of the company for the Financial Year ended 31st March, 2016 along with the Report's of the Directors and Auditors' thereon
2. To appoint a Director in place of Mr. Omprakash Ramashankar Pathak (DIN: 01428320) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint the existing auditor M/s Soni Gulati & Co., Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and in this regard, to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to the recommendation of the audit committee of the Board of Directors, M/s Soni Gulati & Co., Chartered Accountants, be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, and the Board of Directors be and is hereby authorized to fix remuneration payable to them for the financial year ended 31st March, 2017 as may be recommended by the audit committee in consultation with the auditors."

SPECIAL BUSINESSES:

4. To re-appoint Mr. Om prakash Ramashankar Pathak (DIN : 01428320) as Whole Time Director of the Company :-

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

"RESOLVED THAT pursuant to the approval of board of directors and recommendation of Nomination and Remuneration Committee of the board and in accordance with the provisions of Section 196, 197 and 203 of the Companies Act, 2013 read with Schedule V and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to approval of central government, if required, approval of the shareholders

of the Company be and is hereby accorded for the re-appointment of Mr. Om prakash Ramashankar Pathak (DIN : 01428320) as Whole-Time Director of the Company, for a period of 3 (three) years with effect from 1st March, 2017 to 28th February, 2020 and his term of office shall be liable to retire by rotation.

"RESOLVED FURTHER THAT approval be and is hereby accorded to the terms and conditions including remuneration payable as set out in the Agreement entered by Mr. Om prakash Ramashankar Pathak with the Company for the aforesaid reappointment and as set out in the statement annexed to the Notice convening this meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Om prakash 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 reenactment thereof;

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 be and is hereby authorised (which term shall always be deemed to include any Committee as Constituted or to be constituted by the board to exercise its powers conferred under this resolution) to vary or increase the remuneration specified above from time to time to the extent the board of directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits as specified under the relevant provision of the Companies Act, 2013 and/or as approved by the Central Government or such other competent authority.

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

5. To approve the material related party transaction

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

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 and in terms of

SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with Related Party Transaction Policy, approval of the members be and is hereby accorded to the Board of Directors, for contracts/ arrangements/ transactions entered or to be entered with Pan India Corporation Limited, a Related Party under Regulation 2(1)(zb) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 related to sale, purchase or supply of any goods or materials, for an amount of Rs. 39,68,498/- for financial year 2015-16 and Rs. 50,00,000/- p.a. for financial year 2016-2017 2017-2018 respectively, on such terms and conditions as detailed in the agreement entered with Pan India Corporation Limited

RESOLVED FURTHER THAT the Board of Directors (including committee thereof) be and are hereby authorized to decide upon the nature and value of the goods or materials transacted or to be transacted with Pan India Corporation Limited within the aforesaid limit and also to vary or change the terms of conditions of agreement within the aforesaid limit;

RESOLVED FURTHER THAT the Board of Directors of the Company (including a Committee thereof) be and are hereby authorized to do and perform all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this Resolution."

**By Order of the Board of Directors
For Bits Limited
Sd/-
Omprakash Ramashankar Pathak
(Whole Time Director)
DIN No. - 01428320**

Place: New Delhi
Date: 29.08.2016

NOTES

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

A BLANK PROXY FORM IS ENCLOSED.

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

2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than three days of notice in writing is given to the company.
3. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
4. The Register of Contracts or Arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
5. The Annual Report 2015-16 is being sent through electronic mode only to those members whose email address are registered with the Company/Depository Participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their email address, physical copies of the annual report 2015-2016 are being sent by the permitted mode.
6. The Landmark for reaching venue of Annual General Meeting is Krishna Bharti Public School.
7. Route Map for easy location of Venue of Annual General Meeting is attached herewith the Notice of Annual General Meeting.
8. No gifts, gifts coupons, or cash in lieu of gifts is distributed in the Meeting.
9. The relevant explanatory statement pursuant to section 102 of the Companies Act, 2013 in respect of the Special Businesses as set out above is annexed hereto and form part of this notice.
10. Additional Information, pursuant to regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, In respect of the directors seeking appointment/re-appointment at the AGM, is furnished as annexure to the Notice.

11. Members are requested to bring their attendance slip along with their copy of annual report to the meeting.

Note that copies of Annual Report will not be distributed at the Annual General Meeting.

12. Members/Proxies/authorized representative are requested to deposit the attendance slip duly filed in and signed for attending the Meeting. Members who hold shares in dematerialization form are requested to write their client ID and DP ID numbers for identification.
13. Members who have not registered their e-mail address so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
14. The Notice for the Annual General Meeting and the Annual Report will be available for inspection at the Registered Office of the Company on all working days in business hour up to the date of Annual General Meeting. The above said shall also be available on the Company's website at <http://www.bits.net.in/> and on the website of the NSDL: <https://nsdl.co.in/> for inspection and downloading by the shareholders of the company
15. Members seeking further information on the Accounts or any other matter contained in the Notice are requested to write to the Company at least 7 days before the meeting so that relevant information can be kept ready at the meeting.
16. All documents referred to in the accompanying notice and explanatory statement are open for inspection at the Registered Office of the Company during the office hours on all working days (except Saturdays, Sundays and Public Holidays) between 11: 00 A.M. to 1: 00 P.M up to the date of this Annual General Meeting.
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their de-mat account. Member holding shares in physical form can submit their PAN details to the Company at the Registered Office of the Company.
18. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
19. The Register of Members and Share Transfer Books shall remain closed from 24.09.2016 to 30.09.2016 (Both days inclusive).
20. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote in their behalf at the meeting.
21. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) rules, 2014 as substituted by the Companies (Management and Administration) Amendment, Rules 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has provided a facility to the

members to exercise their votes electronically through the electronic voting system facility arranged by National Securities Depository Limited (NSDL). The Facility for voting through ballot paper will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their vote again. The instruction for e-voting are annexed to the Notice.

22. Voting through electronic means:

- i) According to Section 108 of Companies Act, 2013, read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 e-voting is mandatory for all listed companies or companies having Shareholders not less than one thousand.
- ii) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 with Stock Exchanges, the Company is pleased to provide its members facility to exercise their right to vote using an electronic voting system from a place other than the venue of AGM ("remote e-voting") at the 24th Annual General Meeting (AGM) and the business may be transacted through remote e-voting services provided by National Securities Depository Limited (NSDL). It is hereby clarified that it is not mandatory for a member to vote using the remote e-voting facility and a member may avail of the facility at his/her/its discretion. The instructions for remote e-voting are as under:

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

- iii) The electronic voting particulars are set out below:

EVEN (E-VOTING EVENT NO.)	USER ID	PASSWORD/ PIN
105443		

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

COMMENCEMENT OF E-VOTING	END OF E-VOTING
Form 9:00 a.m. (Indian Standard Time) on , September 27, 2016	Up to 5:00 p.m. (Indian Standard Time) on ,September 29, 2016

The cut-off date for the purpose of sending this Notice is 02.09.2016.

During the e-voting period, all members of the Company holding shares in any form i.e. physical or dematerialized, as on cut-off date (record

date) of 23rd September, 2016 may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.

Any person who acquired shares and became member after dispatch of Notice of 24th Annual General Meeting and holds shares as of the Cut – off date of 23rd September, 2016 may obtain the login ID and Password for remote e-voting by sending a request at evoting@nsdl.co.in.

The voting rights of the shareholders shall be in proportion to their shares of the paid up equity share capital of the Company

Vote once cast by the member cannot be changed/ altered.

23. The procedure and instructions for e-voting as given in the Notice of the 24th Annual General Meeting are reproduced hereunder for easy reference:

- I. In case of Members receiving e-mail from NSDL (For those members whose e- mail addresses are registered with Company/Depositories):
 - a. Open e-mail and open PDF file viz."Bits Limited" with your client ID or Folio No. as password containing your user ID and password for remote e- voting. Please note that the password is an initial password.
 - b. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
 - c. Click on Shareholder-Login.
 - d. Put user ID and password as initial password noted in step (i) above. Click Login.
 - e. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - f. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - g. Select "EVEN" of "Bits Limited".
 - h. Now you are ready for remote e-voting as Cast Vote page opens.
 - i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - j. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - k. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - l. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e- mail to bitsltd@gmail.com with a copy marked to evoting@nsdl.co.in.

II. In case of Members receiving Physical copy of Notice of 24th Annual General Meeting (for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy)

- a. Initial password is provided in the box overleaf.
- b. Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.

A. In case of any queries, you may refer the frequently asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

B. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

C. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

D. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

E. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

F. PritikaNagi & Associates, Practicing Company Secretary (Membership No. ACS 29544 & CP No.11279), has been appointed as the Scrutinizer for scrutinize the voting and remote e-voting process in a fair and transparent manner.

G. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

H. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e- voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman, who shall countersign the same and declare the result of the voting forthwith.

I. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.bits.net.in and on the website of NSDL immediately after the declaration of result by the Chairman and communicated to the BSE Limited.

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

ANNEXURE TO THE NOTICE

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

Item No. 4

The Board at its meeting held on 29.08.2016 and subject to approval of the members of the Company, re-appointed Mr. Omprakash Ramashankar Pathak as a Whole Time Director of the company for a period of 3 (Three) years from the expiry of his present term, which will expire on 28th February, 2017, at the remuneration recommended by Nomination and Remuneration Committee of the Board and approved by the Board.

As per proviso of Section 196(2) of the Companies Act, 2013, no re-appointment of the managerial personnel shall be made earlier than one year before the expiry of the term.

Mr. Omprakash Ramashankar Pathak, was re-appointed as Whole Time Director of the company by the members at the Annual general Meeting held on 30th September, 2014 to hold office for a period of three years w.e.f. 1st March, 2014 to 28th February, 2017.

In pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company approved there-appointment of Mr. Omprakash Ramashankar Pathak, as Whole Time Director of the Company subject to the approval of the shareholders at this Annual General Meeting.

It is proposed to seek approval of the member's for re-appointment and remuneration payable to Mr. Omprakash Ramashankar Pathak, Whole Time Director in terms of the applicable provisions of the Act

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

The present tenure of Mr. Omprakash Ramashankar Pathak will expire on 28.02.2017. The terms and conditions of remuneration as recommended by Nomination and Remuneration Committee and considered by Board and applicable to the Whole Time Director is as under:-

Name & Designation	Period of appointment/re-appointment	Salary per month(Rs.)
Mr. Omprakash Ramashankar Pathak (Whole Time Director)	3 years w.e.f. 1 st March, 2017 to 28 th February, 2020	Rs. 44,000

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

The Scope and quantum of remuneration and perquisites

specified hereinabove, may be enhanced, enlarged, widened, altered or varied by the Board of Directors in the light of and in conformity with 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 time to time or an equivalent statutory re-enactments thereof.

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

Whole Time Director is liable to retire by rotation. Accordingly, if he fails to get re-appointment in General Meeting, his re-appointment as Whole Time Director will cease automatically and such agreement terminate forthwith. If, at any time, the Whole Time Director ceases to be Director of the Company for any cause whatsoever, he shall cease to be a Whole Time Director and such agreement shall terminate forthwith.

General Disclosure as per Schedule - V of the Companies Act 2013:

General Information

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

Financial performance based on given indicators

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Paid up Capital	223,750,000	223,750,000	223,750,000	223,750,000
Reserve & Surplus	169,971,839.01	137,928,188.59	139626198	24922697
Profit & Loss Account	1,310,950.40	(32,043,650.42)	1698009.41	(114703501)
Revenue from operation	417,967.00	1,551,000.00	2251445	2418990
Other Income	3,304,581.00	4,179,453.94	8113769	8599242
Total Revenue	3,722,548.00	5,730,453.94	10365214	11018232
Profit Before Taxation	1,427,947.40	(31,936,110.42)	(1337852.59)	(114299873)

Foreign investments or collaborations, if any.

Not Applicable
Information about the Whole Time Director

Background details	Mr. Om Prakash Ramashankar Pathak, 41 years, Graduate, has a wide experience in field of Finance, Marketing & Administration.
Past remuneration	Rs. 5,50,000/- per annum
Recognition or awards	Nil
Job profile and his suitability	The Job requires high level of planning, vision and strategy and leadership skills. Shri Om Prakash Ramashankar Pathak is having vast experience of Finance and Marketing and has been successfully working as a Director of the Company. He is ideally suited for the job
Remuneration proposed	The details of remuneration are set out above in Explanatory Statement.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The salary proposed to be paid is in line with current industry standards based upon size and operations of company.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Beside the remuneration proposed, Mr. Om Prakash Ramashankar Pathak, does not have any pecuniary relationship with the Company

Other information:

Reasons of loss or inadequate profits	Factors such as general economic slowdown and consequent adverse market costs and high financial cost have severally affected the margins of the company.
Steps taken or proposed to be taken for improvement	The Company is making all possible efforts to improve the margins.

Expected increase in productivity and profits in measurable terms.	The Company is very conscious about improvement in productivity and undertakes constant measure to improve it. However, it is extremely difficult in the present scenario to predict profits in measurable terms.
Disclosures:	
The report on Corporate Governance in the Annual Report indicates the remuneration paid to managerial personnel.	

Copy of agreement entered between Company and Mr. Om Prakash Ramashankar Pathak is available for inspection in physical at the registered office of the company during business hours till the date of meeting.

The Board recommends the Special resolution set out in item no. 4 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. 4.

Copy of arrangement entered between Company and Pan India Corporation Limited is available for inspection in physical at the registered office of the company during business hours.

The Board of Directors therefore recommends the resolution as set out in Item No. 5 of the Notice for approval of shareholders of the Company who are unrelated vis-a-vis the subject matter of contract by a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Om Prakash Ramashankar Pathak and Mr. Ankit Rathi are concerned or interested, financially or otherwise, in the said Resolution.

Item No. 5

Pan India Corporation Limited, is a related party within the meaning of Regulation 2(1)(zb) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. In terms of Reg. 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Contracts/arrangements/transactions relating to sale, purchase or supply of any goods or materials with Pan India Corporation Limited are/will be material in nature as these transactions exceed 10% of consolidated turnover of Company as per the audited financial statement of the Company as on March 31, 2016. Therefore in terms of Reg. 23(4) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the contracts/arrangements/ transactions with Pan India Corporation Limited requires the approval of shareholders of the Company.

Further, Section 188 of the Companies Act, 2013 read with the rules made there under, prescribe certain procedure/disclosure for approval of related party transactions. The proposed transaction put up for approval at arm's length basis. However, pursuant to the provision of Reg. 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the following contracts/arrangements/transactions will be material in nature, therefore requires approval of shareholders by way of special resolution.

The particulars of contracts/arrangements/ transactions are as under:

- a) Name of Related Party: Pan India Corporation Limited
- b) Name of Director or Key Managerial Personnel who is related: Mr. Ankit Rathi and Mr. Om Prakash Ramashankar Pathak are common directors.
- c) Nature of relationship: Associate Company as per Accounting Standard (AS) - 18
- d) Nature and Material Terms/ Particulars of contracts/arrangements/ transactions : Sale, purchase or supply of any goods or materials on arm's length basis.
- e) Monetary value: Rs. 39,68,498/- for financial year 2015-16 and Rs. 50,00,000/- p.a. for financial year 2016-2017, 2017-2018 respectively.
- f) Any other information relevant or important for the members to make a decision on proposed transaction: None.

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

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

Particulars	
Name and Age of Director	Mr. Om Prakash Ramashankar Pathak, 41 years
Date of Birth	04/01/1975
DIN	01428320
Qualification	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 – 3 years w.e.f. 1st March, 2017</p> <p>Conditions – As specified in Agreement entered by Mr. Omprakash Ramashankar Pathak with the Company</p> <p>Remuneration as specified above.</p>
Last Drawn Remuneration	Rs. 5,50,000/- per annum
Date of first appointment on the Board	13 th August, 2013
Directorship held in other Listed companies and Unlisted companies	<ol style="list-style-type: none"> 1) PAN INDIA CORPORATION LIMITED 2) TACTFULL INVESTMENTS LIMITED 3) UJJWAL LIMITED <ol style="list-style-type: none"> 1) VIZWISE COMMERCE PRIVATE LIMITED 2) MILI INVESTMENT AND TRADES PRIVATE LIMITED 3) MITIKA TRADERS PRIVATE LIMITED 4) SPG FINVEST PRIVATE LIMITED
No. of Board Meeting attended during the year 2015-2016	8
Membership/Chairmanship of the Committees across the Companies*	Member – 2; Chairman - 1
No. of equity shares held	Nil
Relationship with other Directors	He is not related /associated with any director of the Company
Brief Resume	Mr. Om Prakash Ramashankar Pathak aged 41 years is associated with the company from last 3 years. He has wide experience in Finance, & Marketing

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

**By Order of the Board of
 Directors
 For Bits Limited
 Sd/-
 Omprakash Ramashankar Pathak
 Whole Time Director
 DIN No.–01428320**

Place: New Delhi
 Date: 29.08.2016