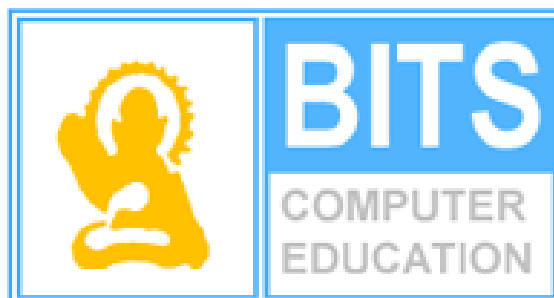


BITS LIMITED

25TH ANNUAL REPORT (2016-2017)



COMPANY INFORMATION

Board of Directors:

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

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

Sachin Sharma

Chief Financial Officer

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

M/s. Soni Gulati & Co.

Chartered Accountants
G-79/212, 2nd Floor, Gupta Building,
Laxmi Nagar, Delhi-110092.

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

Yes Bank

Netaji Subhash Marg, Darya Ganj,
New Delhi-110002

Dena Bank

Netaji Subhash Marg, Darya Ganj,
New Delhi- 110002

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NOTICE

NOTICE is hereby given that the 25TH Annual General Meeting of the members of **BITS LIMITED** will be held at **Plot No. 122, Mahalaxmi Vihar, Karawal Nagar, Delhi-110094** on **Thursday, 28th September 2017 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, 2017 along with the Report's of the Directors and Auditors' thereon
2. To appoint a Director in place of Mr. Ankit Rath (DIN: 01379134) Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s Sadana & Co., Chartered Accountants, as Statutory Auditors of the Company for a term of 5 years i.e. from the conclusion of this AGM (25th AGM) till the conclusion of 30th (Thirty) AGM, subject to an yearly ratification by the members of the Company in Annual General Meeting in place of retiring auditors M/s. Soni Gulati & Co., Chartered Accountants and to fix their remuneration and to pass the following resolution as an Ordinary Resolution thereof;

"RESOLVED THAT pursuant to provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with 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. Sadana & Co., Chartered Accountants (Firm Registration No. 011616N), be and are hereby appointed as the Statutory Auditors of the Company in place of retiring auditor M/s. Soni Gulati & Co., Chartered Accountants (Firm Registration No. 08770), to hold the office for a period of 5 years i.e. from the conclusion of 25th Annual General Meeting till the conclusion of the 30th Annual General Meeting of the Company, subject to the ratification of the said appointment by members at every 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, 2018 as may be recommended by the audit committee in consultation with the auditors."

"RESOLVED FURTHER THAT to give effect to above resolution, the Board of Directors of the Company be and are hereby authorized to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary in this behalf."

SPECIAL BUSINESSES:

4. **CHANGE IN DESIGNATION AND SUBSEQUENT APPOINTMENT OF MR. OMPRAKASH RAMASHANKAR PATHAK (DIN: 01428320) AS MANAGING DIRECTOR OF THE COMPANY**

To consider and if, thought fit to pass with or without modification(s), the following resolution as **Special Resolution**: -

"RESOLVED THAT in supersession of the Resolution passed in the Annual General Meeting held on 30th September, 2016 and in accordance with the provisions of Section 196, 197, 203 and the rules made thereunder and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) from time to time or any re-enactment thereof for the time being in force) read with Schedule V thereto and pursuant to the approval of board of directors and the recommendation of Nomination and Remuneration Committee of the board and subject to the approval of Central Government and such other authorities as may be necessary, approval of the Shareholders of the Company be and is hereby accorded for 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 with effect from 7TH May, 2017 to 6TH May, 2020, at remuneration of Rs. 44,000 per month and his term of 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.

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
(Managing Director)

DIN: - 01428320

Address: 503, 5TH
Floor, Trimurti Appt

Kores Road, J K Gram,
Thane,
Maharashtra- 400606

Date: 26.08.2017

Place: New Delhi

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 25th ANNUAL GENERAL MEETING ("THE MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE DEPOSITED, AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS (48 HOURS) BEFORE THE SCHEDULED TIME FIXED FOR HOLDING THE AFORESAID MEETING.**

A BLANK PROXY FORM IS ENCLOSED.

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

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

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

2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than three days of notice in writing is given to the company.
3. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
4. The Register of Contracts or Arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
5. The Annual Report 2016-17 is being sent through electronic mode only to those members whose email address are registered with the Company/Depository Participant(s), unless any member who has requested for a physical copy of the report. For members who have not registered their email address, physical copies of the annual report 2016-2017 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 by the members at the Registered Office of the Company during the office hours on all working days (except Saturdays, Sundays and Public Holidays) between 11: 00 A.M. to 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 of the company shall remain closed from 23.09.2017 to 28.09.2017 (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. Due to security reasons mobile phones, camera, bags and other accessories are not allowed to be carried inside the meeting premises.
22. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) rules, 2014 as substituted by the Companies (Management and Administration) Amendment, Rules 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has provided a facility to the members to exercise their votes electronically through the electronic voting system facility arranged by National Securities Depository Limited (NSDL). The Facility for voting through ballot paper will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their vote again. The instructions for e-voting are annexed to the Notice.
23. Voting through electronic means:
 - i) According to Section 108 of Companies Act, 2013, read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 e-voting is mandatory for every company which has listed its equity shares on a recognized stock exchange or companies having Shareholders not less than one thousand.

- ii) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 with Stock Exchanges, the Company is pleased to provide its members the facility to exercise their right to vote using an electronic voting system from a place other than the venue of AGM ("remote e-voting") at the 25th Annual General Meeting (AGM) by electronic means on all resolutions and the business may be transacted through remote e-voting services provided by National Securities Depository Limited (NSDL). It is hereby clarified that it is not mandatory for a member to vote using the remote e-voting facility and a member may avail of the facility at his/her/its discretion. The instructions for remote e-voting are as under:

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

iv) The electronic voting particulars are set out below:

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

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 Monday, September 25, 2017 | Up to 5:00 p.m. (Indian Standard Time) on Wednesday, September 27, 2017 |

The cut-off date for the purpose of sending this Notice is Monday, 04.09.2017.

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 22nd September, 2017 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 25th Annual General Meeting and holds shares as of the Cut – off date of 22nd September, 2017 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.

24. The procedure and instructions for e-voting as given in the Notice of the 25th 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):
- Open e-mail and open PDF file viz. "Bits Limited-remote e-Voting". PDF with your client ID or Folio No. as password containing your user ID and password for remote e-voting. Please note that the password is an initial password.
 - Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
 - Click on Shareholder-Login.
 - Put user ID and password as initial password noted in step (a) above. Click Login.

- 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.
- Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- Select "EVEN" of "Bits Limited".
- Now you are ready for remote e-voting as Cast Vote page opens.
- Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- Once you have voted on the resolution, you will not be allowed to modify your vote.
- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to cspritikanagi@gmail.com with a copy marked to evoting@nsdl.co.in.
- In case of Members receiving Physical copy of Notice of 25th Annual General Meeting (for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy)
 - Initial password is provided in the box overleaf.
 - Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.

- 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.
- 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.
- 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).
- The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the Cut – off date of 22nd September, 2017.
- Any person, who acquires shares and becomes member of the company after dispatch of Notice and holds shares as of the Cut – off date i.e. 22nd September, 2017 may also obtain the login ID and Password by sending a request at www.evoting.nsdl.com or RTA, MAS Services Limited.

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

of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

- H. Ms. Pritika Nagi, Practicing Company Secretary (Membership No. ACS 29544 & CP No.11279), Proprietor, M/s Pritika Nagi & Associates, Company Secretaries has been appointed as the Scrutinizer for providing the facility to the members of the company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- I. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- J. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman/Managing Director, who shall countersign the same and declare the result of the voting forthwith.
- K. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.bits.net.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to the BSE Limited.

Members holding shares in physical form are requested to intimate their e-mail address to M/s. Mas Services Limited either by mail on info@masserv.com or by sending a communication at the M/s Mas Services Limited at T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020.

ANNEXURE TO THE NOTICE

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

The following Explanatory Statement set out all material facts relating to the Special Business mentioned under item No. 4 of the accompanying notice dated 26.08.2017.

Item No. 4

The Board at its meeting held on 07.05.2017 and subject to approval of the members of the Company, changed the designation and subsequently appointed Mr. Omprakash Ramashankar Pathak as a Managing Director of the company for a period of 3 (Three) years with effect from 07th May, 2017 till 06th May, 2020, at remuneration of Rs. 44,000 per month recommended by Nomination and Remuneration Committee of the Board.

In pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company approved the change in designation and subsequent appointment of Mr. Omprakash Ramashankar Pathak, as 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 member's for change in designation and subsequent appointment and remuneration payable to Mr. Omprakash Ramashankar Pathak, Managing Director in terms of the applicable provisions of the Act.

Broad particulars of terms of change in designation and subsequent appointment of and remuneration payable to Mr. Omprakash Ramashankar Pathak are as under:-

The terms and conditions of remuneration as recommended by Nomination and Remuneration Committee and considered by Board and applicable to the Managing Director is as under:-

| Name & Designation | Period of Appointment | Salary per month(Rs.) |
|---|---|-----------------------|
| Mr. Omprakash Ramashankar Pathak (Managing Director) | Three years w.e.f. 07 th May, 2017 to 06 th May, 2020 | 44,000 |

- (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) months 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.

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. in India & abroad. | | | |
| 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 | | | | |
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
| Paid up Capital(Equity + Preference) | 223,750,000 | 223,750,000 | 223,750,000 | 223,750,000 |
| Reserve & Surplus | 137,928,188.59 | 139,626,198 | 24,922,697 | (34,884,090) |
| Profit & Loss Account | (32,043,650.42) | 1,698,009.41 | (114,703,501) | (59,806,787) |
| Revenue from operation | 1,551,000 | 2,251,445 | 2,418,990 | 36,042,150 |
| Other Income | 4,179,453.94 | 8,113,769 | 8,599,242 | 10,838,162 |
| Total Revenue | 5,730,453.94 | 10,365,214 | 11,018,232 | 46,880,312 |
| Profit Before Taxation | (31,936,110.42) | (1,337,852.59) | (114,299,873) | (59,130,734) |
| | | | | |
| Foreign investments or collaborations, if any. | | | | Not Applicable |
| Information about the Managing Director | | | | |
| Background details | Mr. Omprakash Ramashankar Pathak, 42 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 Omprakash 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. Omprakash 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. | |

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 time 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 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.

(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. Omprakash Ramashankar Pathak, 42 years |
| 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 | Terms – 3 years w.e.f. 07 th May, 2017 to 06 th May, 2020 Conditions – As specified in draft letter of appointment. Remuneration as specified above. |
| 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 | 1) PAN INDIA CORPORATION LIMITED 2) TACTFULL INVESTMENTS LIMITED 3) UJJWAL LIMITED 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 2016-2017 | 8 |
| Membership/Chairmanship of the Committees across the Companies (as on 31.03.2017)* | Member - 1 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. Omprakash Ramashankar Pathak aged 42 years is associated with the company from last 4 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.

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

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

| Particulars | |
|--|--|
| Name and Age of Director | Mr. Ankit Rath, 40 years |
| Date of Birth | 03/04/1977 |
| DIN | 01379134 |
| Qualification | Graduate from Agra University |
| Expertise in specific functional areas | Has an experience of about Fifteen years in Share Trading & Administration, Financial Management. |
| Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid | N.A. |
| Last Drawn Remuneration | NIL |
| Date of first appointment on the Board | 01/08/2011 |
| Directorship held in other Listed companies and | 1) PAN INDIA CORPORATION LIMITED 2) TACTFULL INVESTMENTS LIMITED 3) UJJWAL LIMITED 4) AMORPHOS INDUSTRIES LIMITED |
| Unlisted companies | 1) VIZWISE COMMERCE PRIVATE LIMITED 2) SPG FINVEST PRIVATE LIMITED 3) UJJWAL INFRASTRUCTURE PRIVATE LIMITED |
| No. of Board Meetings attended during the year 2016-2017 | 8 |
| Membership/Chairmanship of the Committees across the Companies (as on 31.03.2017)* | Member – 6; Chairman - 0 |
| No. of equity shares held | Nil |
| Relationship with other Directors | He is not related /associated with any director of the Company |
| Brief Resume | Mr. Ankit Rath aged 40 years is associated with the company from last 6 years. He has wide experience in Share Trading & Administration, Financial Management. |

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

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

Sd/-

**Omprakash Ramashankar Pathak
(Managing Director)**

DIN: - 01428320

Address: 503, 5TH

Floor, Trimurti Appt

Kores Road, J K Gram,
Thane,
Maharashtra- 400606

**Date: 26.08.2017
Place: New Delhi**