

# **BITS LIMITED**

CIN: L72200DL1992PLC241971

## **28<sup>TH</sup> 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, 1<sup>st</sup> 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, 2<sup>nd</sup> 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 **28<sup>th</sup> Annual General Meeting** of the members of **Bits Limited** will be held on **Sunday, 20<sup>th</sup> 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 05<sup>th</sup> May, 2020, 08<sup>th</sup> April, 2020 and 13<sup>th</sup> April, 2020 respectively and SEBI Circular dated 12/05/2020, to transact the following business:

### **ORDINARY BUSINESSSES:**

1. To receive, consider and adopt: -
  - a) The Audited Standalone Financial Statements of the company for the Financial Year ended 31<sup>st</sup> 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 31<sup>st</sup> 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 07<sup>th</sup> May, 2020 to 06<sup>th</sup> 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, 5<sup>TH</sup> 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 14<sup>th</sup> September, 2020 to 19<sup>th</sup> 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 16<sup>th</sup> 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 28<sup>th</sup> 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.

<b>Physical Holding</b>	Send a signed request to Registrar and Transfer Agents of the Company, MAS Services Limited at <a href="mailto:info@masserv.com">info@masserv.com</a> 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.
<b>Demat Holding</b>	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](http://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:

<b>For Shareholders holding shares in Demat Form and Physical Form</b>	
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"> <li>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..</li> </ul>
Dividend Bank Details <b>OR</b> 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"> <li>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).</li> </ul>

- (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](mailto: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](mailto: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.

