

# **BITS LIMITED**

## **29<sup>TH</sup> ANNUAL REPORT**

**2020 - 2021**



# **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, 7<sup>th</sup> 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

## **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

# Contents

Sr. No.	Particulars	Page No.
1.	Notice	4
2.	Directors' Report	19
3.	Report on Corporate Governance	52
4.	Standalone Independent Auditor's Report	74
5.	Standalone Balance Sheet	86
6.	Standalone Statement of Profit & Loss	87
7.	Standalone Cash flow Statement	89
8.	Standalone Notes to Account	90
9.	Consolidated Independent Auditor's Report	103
10.	Consolidated Balance Sheet	112
11.	Consolidated Statement of Profit & Loss	113
12.	Consolidated Cash flow Statement	115
13.	Consolidated Notes to Account	116

## NOTICE

**Notice** is hereby given that the **29<sup>th</sup> Annual General Meeting** of the members of **Bits Limited** will be held on **Sunday, 26<sup>th</sup> September, 2021 at 05:00 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, 17/2020 and 02/2021 dated 05<sup>th</sup> May, 2020, 08<sup>th</sup> April, 2020, 13<sup>th</sup> April, 2020 and 13<sup>th</sup> January, 2021 respectively and SEBI Circular dated 12<sup>th</sup> May, 2020 and 15<sup>th</sup> January, 2021, to transact the following business:

### ORDINARY BUSINESSES:

1. To receive, consider and adopt: -
  - a) The Audited Standalone Financial Statements of the company for the Financial Year ended 31<sup>st</sup> March, 2021 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, 2021 along with the Reports of the Directors and Auditors' thereon.
2. To appoint a director in place of Mr. Ankit Rathi (DIN: - 01379134) Director, who retires by rotation and being eligible, offers himself for re-appointment.

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

**Sd/-**

**Omprakash Ramashankar Pathak**

(Managing Director)

DIN: - 01428320

Address: 503, 5<sup>TH</sup> Floor,

Trimurti Appt, Kores Road,

J K Gram, Thane, Maharashtra- 400606

Date: 25.08.2021

Place: New Delhi

## NOTES

1. In view of COVID-19 pandemic outbreak, Ministry of Corporate Affairs allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) and dispensed with the requirement of personal presence of the members at the meeting. Accordingly, 29<sup>th</sup> Annual General Meeting (AGM) of the members will be held through VC/OAVM as allowed by the Ministry of Corporate Affairs through various circulars viz Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular no. 02/2021 dated January 13, 2021, prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM.
2. Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is as per note no. 22 and also available at the Company's website [www.bits.net.in](http://www.bits.net.in)
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
5. Corporate Members intending to allow their authorized representatives to attend the Meeting through VC/ OVAM are requested to send to the Company certified true copy of the Board Resolution authorizing their authorized signatory(ies) to attend and vote on their behalf at this Annual General Meeting by e-mail to [www.bits.net.in](http://www.bits.net.in)
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 20<sup>th</sup> September, 2021 to Sunday, 26<sup>th</sup> September, 2021 (both days inclusive).

8. Any information relating to Accounts and/or matters to be placed at AGM must be sent to Company's email id i.e., [www.bits.net.in](http://www.bits.net.in)
9. The Company has paid the Annual Listing Fees for the year 2021-22 to Stock Exchange viz. BSE Limited on which the Company's Securities are presently listed.
10. The Securities & 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 the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Company's RTA.
11. Members who hold shares in physical form in multiple folios in identical name or joint holding in the same order of names are requested to send their share certificates to our RTA for consolidation into a single folio.
12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address/bank detail or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

#### **PROCEDURE FOR DISPATCH OF ANNUAL REPORT AND REGISTRATION OF EMAIL ID**

13. Pursuant to the circulars issued by Ministry of Corporate Affairs (MCA), the Notice of AGM along with Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Please take note that Notice and Annual Report 2020-21 has been uploaded on the website of the Company i.e., [www.bits.net.in](http://www.bits.net.in) The Notice can also be accessed from the website of the Stock Exchange i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the e-Voting facility) i.e., [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
14. As per the green initiative of Ministry of Corporate Affairs (MCA), members are requested to register/update their email address with depository if they are holding shares in Demat mode or to the Registrar & Share Transfer Agent of the Company namely Link Intime India Private Limited, if they are holding shares in physical mode in order to receive the various Notices and other Notifications from the Company in electronic form.

**DETAILS ABOUT REMOTE E-VOTING AND VC/OAVM ARE AS UNDER: -**

- 15.** In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended up to date and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, the Company is pleased to provide facility of voting through electronic means i.e. remote e-voting in respect of the business(es) to be transacted at the 29<sup>th</sup> Annual General Meeting (AGM) as well as e-voting system on the date of the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
- 16.** The remote e-voting period commences on Thursday, 23<sup>rd</sup> September, 2021 (10:00 AM) and ends on Saturday, 25<sup>th</sup> September, 2021 (05:00 PM). During this period members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date/record date i.e., Sunday, 19<sup>th</sup> September, 2021 may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.
- 17.** The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date/record date i.e. Sunday, 19<sup>th</sup> September, 2021. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
- 18.** The facility for voting through e-voting system shall also be made available at the Meeting & Members attending the meeting who has not already cast their vote by remote e-voting shall be able to vote at the meeting through e-voting.
- 19.** Further, the company has engaged NIVIS CORPSERVE LLP for providing video conferencing system through cisco webex and e-voting services through NSDL. In case any member required any assistance in respect of e-voting or joining of Meeting through VC/OAVM can contact at following:-

- Ms. Swapnil at [info@nivis.co.in](mailto:info@nivis.co.in),
- Nivis Corpserve LLP,
- Contact No. 011-45201005.

20. Mrs. Pritika Nagi, Practicing Company Secretary (Membership No. 29544) has been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.
21. The results of voting will be declared within two working days from the conclusion of the AGM and the Resolutions will be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes. The declared Results, along with the Scrutinizer's Report, will be available forthwith on the Company's website i.e. [www.bits.net.in](http://www.bits.net.in) and NSDL website (i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com) ) Such results will also be forwarded to the BSE Limited.

### **PROCESS AND MANNER OF REMOTE E-VOTING AND EVOTING DURING THE AGM**

22. The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**Details on Step 1 are mentioned below**

- A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with their respective Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:



Type of shareholders	Login Method
<p><b>Individual Shareholders holding securities in demat mode with NSDL.</b></p>	<p><b>NSDL IDeAS facility</b></p> <p><b><u>If you are already registered, follow the following steps:-</u></b></p> <p>Visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile.</p> <p>Once the home page of e-Services is launched, click on the <b>"Beneficial Owner"</b> icon under "Login" which is available under <b>"IDeAS"</b> section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page.</p> <p>Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-voting period or joining virtual meeting &amp; e-voting during the meeting.</p> <p><b><u>If you are not registered, follow the following steps:-</u></b></p> <p>Option to register is available at <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a>. Select <b>"Register Online for IDeAS"</b> Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>  <a href="#">Please follow steps given in 1 to 5 at point A.</a></p> <p><b>E-voting website of NSDL</b></p> <p>Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile.</p> <p>Once the home page of e-Voting system is launched, click on the icon "Login" which is available under <b>'Shareholder/Member'</b> section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</p> <p>After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting &amp; e-voting during the meeting.</p>

<p><b>Individual Shareholders holding securities in demat mode with CDSL</b></p>	<p>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest is <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</p> <p>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of ESP i.e., <b>NSDL portal</b>. Click on <b>NSDL</b> to cast your vote.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</p>
<p><b>Individual Shareholders (holding securities in demat mode) login through their depository participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</p> <p>Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</p> <p>Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:**

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.