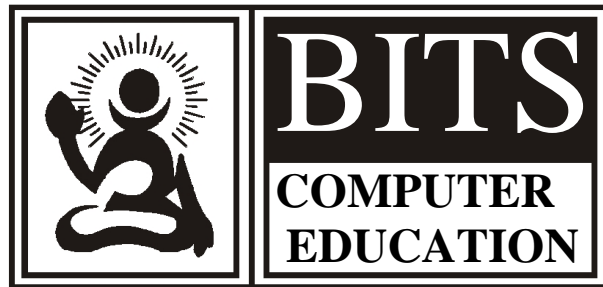


**21<sup>st</sup> ANNUAL REPORT**  
**2012-2013**



**BITS LIMITED**

**Regd. Office: 4/18, IInd Floor, Asaf Ali Road, New Delhi-110002**

**-: CORPORATE INFORMATION:-**

**Board of Directors:**

<b>Mr. Akhilesh Chandra Khare</b>	<b>Director</b>
<b>Mr. Ankit Rathi</b>	<b>Director</b>
<b>*Mr. Ashok Agarwal</b>	<b>Director</b>
<b>Mr. O.P Pathak</b>	<b>Director</b>

**\* Ceased from Directorship due to his death with effect from 22.07.2013.**

**Registered Office:**

4/18, IInd Floor,  
Asaf Ali Road,  
New Delhi, 110002

**Mumbai Office:**

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

**Auditors:**

**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, Mumbai- 400023

**Registrar & Transfer Agents:**

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

**Bankers:**

**Development Credit Bank**  
Fort, Mumbai – 400 023

**Deutche Bank**  
Sector 18, Noida, Uttar Pradesh

**Yes Bank**  
Netaji Subhash Marg,  
Darya Ganj, New Delhi-110002

**Contents:**

1. Notice
2. Directors' Report
3. Management Discussion & Analysis
4. Auditor's Certificate
5. Report on Corporate Governance
6. Auditor's Report
7. Balance Sheet & Statement of Profit & Loss
8. Notes to Accounts
9. Cash flow Statement
10. Notes forming part of Accounts.

**NOTICE**

**NOTICE** is hereby given that the **21<sup>st</sup> Annual General Meeting** of the members of **BITS LIMITED** will be held at Registered Office of the Company at **4/18, IInd Floor, Asaf Ali Road, New Delhi-110002** on **Monday, September 30, 2013 at 10.00 A.M.** to transact the following business:-

**ORDINARY BUSINESSES:**

1. To receive, consider and adopt the Audited Balance Sheet for the year as at 31<sup>st</sup> March, 2013 and Statement of Profit and Loss of the company for the year ended 31<sup>st</sup> March, 2013 and the Report's of the Directors and Auditors thereon.
2. To appoint a Director in place of **Mr.Ankit Rathi**, who retires by rotation and being eligible, offers him for re-appointment.
3. To appoint M/s Soni Gulati & Co., Chartered Accountants as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board  
**For BITS LIMITED**

**Place:** New Delhi  
**Date:** 30.08.2013

Sd/-  
**(Ankit Rathi)**  
Director  
**DIN No. 01379134**

**NOTES**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE DEPOSITED, AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING. A BLANK PROXY FORM IS ATTACHED.**
2. All documents referred to in the accompanying notice and explanatory statement are open for inspection at the Registered Office of the Company during the office hours on all working days between 11: 00 A.M. to 1: 00 P.M up to the date of this Annual General Meeting.
3. Members / Proxies should bring the attendance slip sent herewith, duly filled in, for attending the meeting.
4. The Register of Members and Share Transfer Books shall remain closed on 28<sup>th</sup> September, 2013 to 30<sup>th</sup> September, 2013 (Both days inclusive).
5. Shareholders seeking any information with regard to accounts are requested to write to the Company at the earliest to keep the information ready.
6. Shareholders are requested to bring their copy of Annual Report to the Annual General Meeting.
7. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
8. Members may kindly note that no gift/gift coupons will be distributed at Annual General Meeting.
9. The Ministry of Corporate Affairs has introduced “Green Initiative” by allowing paperless compliances by the companies and has issued circulars stating the service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of Government in full measure, member who have not registered their e-mail addresses, so far are requested to register their e-mail addresses, in respect of electronic holdings with Depository through their concerned Depository Participant whereby the documents are permitted to be served on the members through electronic mode i.e. e-mail. This initiative is a step toward protection of environment and enabling faster communication with members.

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

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

<b>1.</b>	<b>Name of Director</b>	<b>Mr. Ankit Rathi</b>
	Date of Birth	3 <sup>rd</sup> April, 1977
	Qualification	Graduate from Agra University
	Expertise in Specific Functional area	Has an experience of about eleven years in Share Trading & Administration, Financial Management.
	Directorship in Other Company	1. Ujjwal Limited 2. Amorphos Industries Limited 3. PAN India Corporation Limited 4. Medicloud Softwares Limited 5. Tactfull Investments Limited 6. S.L. Buildcon Private Limited 7. Prurient I.T Solutions Private Limited 8. SPG Finvest Private Limited 9. Vizwise Commerce Private Limited 10. Ujjwal Infrastructure Private Limited 11. Ujjwal Merchants Private Limited 12. Ujjwal Green Energy Private Limited 13. K.K. Kargomail India Private Limited 14. Amarpali Land Developers Private Limited
	Date of Appointment	01/08/2011
	Shareholding in the Company	NIL

Place: New Delhi  
Date: 30.08.2013

<p><b>Sd/-</b> <b>Ankit Rathi</b> <b>(Director)</b> <b>DIN No. 01379134</b></p>	<p><b>Sd/-</b> <b>Akhilesh Chandra Khare</b> <b>(Director)</b> <b>DIN No. 01268690</b></p>
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**DIRECTOR'S REPORT**

**TO THE MEMBERS**

Your Directors have immense pleasure in presenting the 21<sup>st</sup> Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the Financial Year Ended March 31, 2013.

**FINANCIAL HIGHLIGHTS**

	<b>Current Year 2012-13</b>	<b>Previous Year 2011-12</b>
Turnover	3722548.00	6559387.30
Expenditure	2294600.60	6747001.69
Depreciation	603827.00	603827.00
Profit / Loss after depreciation	1427947.40	(187614.39)
W/off & Deferred tax liability	116997.00	153,423.00
Profit/ (Loss) for the year	1310950.40	(341037.39)

**Material Changes and Commitments during the Year 2012-2013**

The Company has undergone the following change, during the Financial Year ended March 31, 2013:

Pursuant to Section 149(2A) and other provisions of the Companies Act, 1956, the Company, by the consent of the shareholders accorded to carry out the following objects as enumerated in Other Objects of the Memorandum of Association of the Company which are as follows:

- To purchase or otherwise acquire any land, building or premises and to turn into account, develop, improve, alter, demolish or let out for the purpose of carrying on the business of hotel, restaurant, coffee, tavern lodging, house-keepers and to carry on the business of wine, spirit and liquor merchants, importers, exporters and manufacturers of aerated mineral and artificial waters and other drinks whether intoxicating or not or caterers for public amusements or entertainment, proprietors of motors and other vehicles, garage proprietors, job masters, refreshment room keepers, farmers, dairymen and ice-merchants victuallers, live and dead stock and colonial and foreign proprietors of club, baths, dressing-room, museum, reading, writing, and newspaper room, library, playgrounds, indoor and outdoor game, sport, recreation, exhibition,



entertainment of all kinds, tobacco and cigarettes, agents for railway and shipping company and tourist, theatrical cinemas and opera-box.

- To purchase, take on lease or otherwise acquire land, buildings, vineyard, gardens and other places for growing, keeping, brewing, preparing and storing of land products, plants or other things as may be required for carrying on the said business.
- To carry on, execute and conduct a general contracting business to submit tenders and undertake to do all sorts of building, manufacturing, producing, farming, surveying, supplying, designing, enlarging, repairing, re-modeling, managing, administering, controlling and supervising business.
- To carry on the business as dealers in and purchaser of dairy, farms, garden and their produce of all kinds and in particular milk, cream, butter, ghee, cheese, poultry, eggs, fruits, vegetable oils, vegetable ghee, artificial ghee, spices, sausages, prawn, ported meat, table delicacies, loaves, bread, manures.
- To manage land, building and other property whether belonging to the company or not and to collect rents, profits and issue and to provide and supply to tenants or other occupier's refreshments, light waiting rooms, swimming pools, club, play grounds water, air conditioning facilities and equipment, lifts and escalators and all other conveniences and appliances relating to or connected with office and residence requirements in general.

## **REVIEW OF OPERATIONS**

During the year, your Company has achieved the turnover of Rs.3722548 against Rs.6559387.30 attained in the last year. Your directors expect that the initiatives undertaken will result in improvement in financial results in the coming years.

## **DIVIDEND**

For the year under review, your Company does not recommend any dividend in the absence of profits.

## **DIRECTORS**

Mr. Ankit Rathi retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re- appointment.

### **Cessation of Directors**

- Mr. Ashok Agarwal ceased to be the Director of the Company due to his death w.e.f. 22.07.2013.
- Mr. Kapil Kumar ceased to be Director of the company w.e.f. 26.06.2013.

### **Appointment of Directors**

Mr. O.P Pathak appointed as Director in Casual Vacancy w.e.f 13/08/2013 in place of Mr. Ashok Agarwal who ceased to be director of the Company due to his death.

### **AUDITORS**

M/s Soni Gulati & Co., Chartered Accountants, Statutory Auditors of the Company, retires at the ensuing AGM and is eligible for reappointment. The company has received a letter from them to the effect that their appointment, if made would be within the limits prescribed u/s 224(1B) of the Companies Act, 1956 and they are not disqualified for such an appointment, within the meaning of Sub-Section (3) and (4) of Section 226 of the Companies Act, 1956. Accordingly, M/s Soni Gulati & Co., Chartered Accountants are required to be re appointed as Statutory Auditors of the company at the ensuing Annual General Meeting.

The Audit Committee and your Board recommends their appointment as Statutory Auditors of the Company.

### **AUDITOR'S REPORT**

The Auditors Report is self explanantory and there are no adverse remarks or qualification in the Report.

### **LISTING OF SECURITIES**

The Company's Equity Shares are listed on the **Bombay Stock Exchange Limited**.

### **PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 217 (2A) OF THE COMPANIES ACT, 1956**

As required by the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, no employee of the company is in receipt of remuneration in excess of the limits prescribed there under.

**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

**ENERGY CONSERVATION**

There is no manufacturing activity carried on in the company. The company has done its best efforts to save electricity & energy.

**TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT**

No research & development or technical absorption in the company during the Financial Year 2012-2013.

**FOREIGN EXCHANGE EARNINGS & OUTGO**

As your Company does not deal in Foreign Exchange, there fore the particulars relating to Foreign Exchange Earnings and Outgo are not applicable to your company.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

1. In the preparation of the annual accounts for the period ended 31.03.2013, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
2. The directors had selected such accounting policies and applied them consistently and made judgments & estimates that were reasonable & prudent so as to give a true and fair view of the state of affairs of the Company at the end of the year and of the Loss of the company for the financial year under review;
3. The Directors had taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act 1956 for safeguarding the assets of the Company; and for prevention and detection of fraud and other irregularities;
4. The Annual Accounts for the year ended 31<sup>st</sup> March, 2013 have been prepared on a going concern basis.

### **INDUSTRIAL RELATIONS**

Since the company is not into any kind of manufacturing activity, there is no matter to discuss about the industrial relations and the company is maintaining cordial relations with its staff members.

### **CORPORATE GOVERNANCE**

Your Company has implemented all the stipulations of the Corporate Governance Practices set out by the Securities and Exchange Board of India and as provided in Clause 49 of the Listing Agreement entered into with the Stock Exchanges. A separate section on Corporate Governance and a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, form part of the Annual Report. Management Discussion and Analysis and Auditor's Certificate on compliance of conditions of corporate governance under clause 49 of the listing agreement form part of Director's Report.

### **DEPOSITS FROM PUBLIC**

During the year under review, the Company has not accepted any public deposit within the meaning of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 as amended up to date.

### **ACKNOWLEDGEMENT**

Your Directors take this opportunity to place on record their appreciation for the shareholders, bankers and other business associates for their forbearance, understanding and support to the Company. They also wish to place on record their great appreciation of the commitment, sense of involvement and dedication exhibited by each staff member in the overall development, growth and prosperity of the company.

By Order Of Board  
**For BITS LIMITED**

**Place:** New Delhi  
**Date:** 30.08.2013

<b>Sd/-</b>	<b>Sd/-</b>
<b>Ankit Rathi</b>	<b>Akhilesh Chandra Khare</b>
<b>(Director)</b>	<b>(Director)</b>
<b>DIN No. 01379134</b>	<b>DIN No. 01268690</b>

**Annexure – A to Director’s Report**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**OVERVIEW**

The financial statements are prepared in compliance with the requirements of the Companies Act, 1956. There are no material departures from the prescribed accounting standards in the adoption of the accounting standards. The management of **BITS LIMITED** accepts responsibility for the integrity and objectivity of these financial statements.

**A. REVIEW OF OPERATIONS:**

The overall performance during the year 2012-2013 has been satisfactory. However, the Company is endeavoring its best for:

Exploring new areas for growth.

Cost reduction measures involving increased focus on operational efficiencies, energy savings and control over administration costs.

Better working capital management.

**B. CORPORATE GOVERNANCE**

As per listing requirements, the company is required to comply with mandatory provisions by 31<sup>st</sup> March, 2013. The company has complied with the requirements as to disclosure in Corporate Governance in this Annual Report of the company for the Financial Year 2012-2013 inter-alia giving information on the following:

- i) Company’s philosophy on code of Corporate Governance.
- ii) Constitution of Board of Directors.
- iii) Constitution of Audit Committee and Shareholders Grievance Committee.
- iv) Details of General Body Meeting held in respect of last three financial years.
- v) Disclosure on certain important matters.
- vi) Means of communication and shareholder information.

**C. HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS:**

The Company believes that the employees are the backbone of the Company. It is providing an opportunity to all the employees to utilize their full potential and grow in

the Organization. There was no strike or labour unrest during the last financial year.

**D. INTERNAL CONTROL SYSTEMS:**

The Company has adequate internal control procedures commensurate with the size of the Company and the nature of its business.

**E. CAUTIONARY STATEMENT:**

Statements in the “Management Discussion and Analysis” describing the Company’s objectives, expectations or predictions may be forward looking within the meaning of applicable laws or regulations. These Statements are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include changes in Govt. regulations, tax regimes, economic developments and other factors such as litigation.

By Order Of Board  
**For BITS LIMITED**

**Place:** New Delhi  
**Date:** 30.08.2013

<b>Sd/-</b>	<b>Sd/-</b>
<b>Ankit Rathi</b>	<b>Akhilesh Chandra Khare</b>
<b>(Director)</b>	<b>(Director)</b>
<b>DIN No. 01379134</b>	<b>DIN No. 01268690</b>

**Annexure-B to Directors' Report**

**AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To

**The Members,  
Bits Limited**

We have examined the compliance of conditions of Corporate Governance by **BITS LIMITED** during the year ended 31.03.2013 with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of our review and according to the information and explanation given to us, the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement with the Stock Exchanges have been complied with in all material respect by the Company.

**M/s Soni Gulati & Co.**  
Chartered Accountants

Sd/-  
**(Sanjeev Kumar)**  
**(Partner)**  
**Membership No. 91901**

**Place:** New Delhi  
**Date:** 30.08.2013

## **REPORT ON CORPORATE GOVERNANCE**

1. Corporate Governance is an integral part of values, ethics and the best business practices followed by the Company. The basis of Corporate Governance envisages optimal utilization of resources for enhancing the values of the enterprise by effectively monitoring executive performance and supporting the entrepreneurship spirit and to ensure ethical behavior of the enterprise in honoring and protecting the rights of all stakeholders, including discharge of social responsibility, through highest level of transparency and accountability in all facets of its operations. The core values of the Company are:

- Caring for people
- Integrity including intellectual honesty, openness, fairness & trust.
- Commitment to excellence and customer satisfaction.

The Company has in place a Code of Corporate Ethics and Conduct reiterating its commitment in interface with stakeholders and clearly laying down the core values and corporate ethics to be practiced by its entire management cadre. The Company strives to set and achieve high standards of Corporate Governance. The very essential characteristics of the Company are transparent functioning, social responsiveness and accountability towards shareholders.

This year's annual report has made substantial disclosures on the Board of Directors, financial performance, which are as follows:

### **2. Board of Directors:**

The Board of Directors of the Company comprises of a fair number of independent professional directors. All the directors are non-executive.

#### **Details of Board Meetings**

Ten Board Meetings were held during the year on 17.05.2012, 27.06.2012, 08.08.2012, 03.09.2012, 06.11.2012, 08.12.2013, 29.01.2013, 04.02.2013, 14.02.2013 and 01.03.2013. The intervening period between two meetings was well within the maximum time gap of 4 months as prescribed under Corporate Governance norms.



Name of the Director	Designation	Category	No. of Meetings held	No. of Meetings Attended	Number of Directorship in other Companies	Attendance of each Director at last AGM
*Mr. Ashok Agarwal	Chairman	Non-Executive /Independent Director	10	08	10	Yes
Mr. Ankit Rathi	Director	Non-Executive /Independent Director	10	10	**14	Yes
Mr. Akhilesh Chandra Khare	Director	Non-Executive /Independent Director	10	10	01	No

\* Mr. Ashok Agarwal ceased to be the Director of the Company w.e.f 22.07.2013 due to his death.

Mr. O.P Pathak appointed as Director in Casual Vacancy w.e.f 13/08/2013 in place of Mr. Ashok Agarwal who ceased to be director of the Company due to his death.

\*\*Other directorships include directorships of Private Limited Companies. However, none of the director holds more than 15 directorships in Public Limited Companies.

Mr. O.P Pathak appointed as Director in Casual Vacancy w.e.f 13/08/2013 in place of Mr. Ashok Agarwal who ceased to be director of the Company due to his death.

### 3. Audit Committee

The company has in accordance with the Listing Agreement constituted an Audit Committee to exercise powers and discharge functions as stipulated in Clause 49 of Listing Agreement. The Audit Committee reviews:

- a) The audit procedure & techniques
- b) With the management external & internal procedures
- c) The adequacy of internal control system.
- d) The company's financial reporting processes and ensures that the financial statements give a true & fair view of the affairs of the company.

The Audit Committee as constituted in compliance of Clause 49 of Listing Agreement consists of the following as on 31.03.2013:

i)	Mr. Ashok Agarwal	Chairman	Independent/Non-executive
ii)	Mr. Akhilesh Chandra Khare	Member	Independent/Non-executive
iii)	Mr. Ankit Rathi	Member	Independent/Non-executive

All the members of audit committee are financially literate.

**Meetings:**

The Committee met 4 times during the year on 17.05.2012, 08.08.2012, 06.11.2012 and 29.01.2013 and the attendance of Members at the Meetings was as follows:

S.No	Name	Status	No. of meetings during the year	No. of Meetings Attended
i)	Mr. Ashok Agarwal	Chairman	4	4
ii)	Mr. Akhilesh Chandra Khare	Member	4	4
iii)	Mr. Ankit Rathi	Member	4	4

**ROLE AND RESPONSIBILITIES**

The role of Audit Committee includes the review of the following:

- Financial Reporting Process
- Draft Financial results (Quarterly & Annual)
- Internal Audit Reports
- Record of Related Party Transaction
- Reviewing the Company's Financial & Risk Management Policies
- Management Discussion and Analysis of Financial Condition and Results of Operation
- Compliance with Stock Exchanges and Legal requirements concerning Financial Statements
- Any other power which are specifically delegated by the Board from time to time

The role of Audit Committee includes recommending the appointment and removal of Statutory Auditor, discussion of Audit Plan, fixation of Audit Fees, and also approval for payment of any other services.

#### 4. Remuneration Committee

As no remuneration is being paid to any Director, no remuneration committee has been constituted. As and when there will be any requirement, the same will be constituted.

#### 5. Shareholders/Investors Grievance Committee

The Shareholders/Investors Grievance Committee consists of three Directors, during the year, which are as follows:

i)	Mr. Ashok Agarwal	Chairman	Independent/Non-executive
ii)	Mr. Akhilesh Chandra Khare	Member	Promoter/Non-executive
iii)	Mr. Ankit Rathi	Member	Independent/Non-executive

The Committee met 4 times during the year on 17.05.2012, 08.08.2012, 06.11.2012 and 29.01.2013 during the financial year 2012-2013. Committee redresses complaints of the shareholders in respect of matters pertaining to transfer of shares, non-receipt of Annual Report, dematerialization of shares, non-receipt of declared dividend etc. The share transfers are handled by the registrar and transfer agent i.e. Mas Services Limited.

#### 6. General Body Meeting.

Information about General Meetings held in last 3 years:

For the Year	Venue	Day, Date & Time	Special Resolution *
2009-2010	Registered Office	Thursday, 30 <sup>th</sup> September, 2010, 9.30 P.M.	Special Resolution passed for the commencement of New Business
2010-2011	Registered Office	Friday, 30 <sup>th</sup> September 2011, 4.00 P.M	Special Resolution passed for Inter Corporate Loans & Political Contribution
2011-2012	Registered Office	Saturday, 29 <sup>th</sup> September 2012, 10.00 A.M	Special Resolution passed for Inter Corporate Loans & Political Contribution

**POSTAL BALLOT INFORMATION**

No resolutions were passed through Postal Ballot during the period under review.

**7. DISCLOSURES**

1. There is no related party transaction.
2. There has been no non compliance by the Company nor were any penalties or strictures imposed on the Company by Stock Exchanges, SEBI or any other statutory authority on any matter related to capital markets during the last three years.
3. Presently, the Company does not have a Whistle Blower Policy. No personnel of the Company have been denied access to the Audit Committee.
4. The Company has complied with all the mandatory requirements of Clause 49. As regard the non-mandatory requirements, Company tries to implement them to the extent possible.
5. The company has complied with all the Accounting Standards applicable to the company.
6. The company has not come out with any Public Issue / Preferential Issue in the Financial Year 2012-2013.

**8. MEANS OF COMMUNICATION:**

Timely Disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is the core of good corporate governance.

**Quarterly /half yearly/Annual results:**

Timely Disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is the core of good corporate governance.

<b><u>Quarter</u></b> <b><u>(2012- 2013)</u></b>	<b><u>Date of Board Meeting</u></b>	<b><u>Newspapers where in results are published</u></b>
30 <sup>th</sup> June, 2012	08.08.2012	Financial Express (English Daily) Mumbai Lakshadeep (Hindi Daily)
30 <sup>th</sup> September,2012	06.11.2012	Financial Express (English Daily) Hari Bhoomi (Hindi Daily)
31 <sup>st</sup> December, 2012	29.01.2013	Millenium Post (English Daily) Hari Bhoomi (Hindi Daily)

31st March, 2013	11.05.2013	Millenium Post (English Daily) National Duniya (Hindi Daily)
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### 9.1 General Shareholders Information:

**Event:** Annual General Meeting for Financial Year Ended 31<sup>ST</sup>, March, 2013  
**Day:** Monday  
**Date & Time:** September, 30, 2013 at 10.00 A.M  
**Venue:** 4/18, IIND Floor, Asaf Ali Road, New Delhi-110002

### 9.2 Financial Calendar (Tentative) for the Financial Year 2012-2013

Tentative calendar of events for the financial year 2012-13(April to March) is as under:  
Adoption of Quarterly Financial Results for:

First Quarter – by mid of August, 2013	Third Quarter-by mid of February, 2014
Second Quarter-by mid of November, 2013	Fourth Quarter- by mid of May/ end of May, 2014

### 9.3 Dates of Book Closure

The Register of Members and Share Transfer Register will remain closed on 28<sup>th</sup> September, 2013 to 30<sup>th</sup> September, 2013 (both days inclusive) on account of Annual General Meeting.

### 9.4 Dividend Payment Date

No dividend has been recommended for the year ended 31st March, 2013.

### 9.5 Listing at Stock Exchanges

#### **BOMBAY STOCK EXCHANGE LIMITED**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai- 400023

Listing Fee for the year 2012-2013 has been paid to Bombay Stock Exchange (BSE).

### 9.6 Stock Code

**Scrip Code:** 526709

### 9.7 Market Price Data for the year 2012-13

#### Company Name: BITS LIMITED

Year	High	Low
April 2012	0.52	0.48
May 2012	0.46	0.39
June 2012	0.42	0.38
July 2012	0.45	0.37
August 2012	0.36	0.31
September 2012	0.31	0.28
October 2012	0.32	0.28
November 2012	0.31	0.25
December 2012	0.35	0.25
January 2013	0.37	0.32
February 2013	0.33	0.23
March 2013	0.22	0.17

### 9.9 Registrar and Transfer Agents

M/s Mas Services Ltd.  
T-34, Okhla Industrial Area, Phase-II  
New Delhi-110020  
Phone No.: 011-26387281/82/83  
Fax No.: 011-26387384  
Email ID: [info@masserv.com](mailto:info@masserv.com)  
Contact Person: Shravan Mangla

### 9.10 Share Transfer System

Transfers of Equity Shares are handled by Mas Services Limited. The transferee is required to furnish transfer deed duly completed in all respects together with share certificate to M/s Mas Services Limited at the above address in order to enable the Registrar and transfer agent to process the transfer.

The share transfer committee normally attends to share transfer formalities once in a fortnight. Demat requests are normally confirmed within 21 days from the date of receipt of request.

### 9.11 Distribution of Shareholding as on 31.03.2013

<b>Category</b>	<b>No. of Shares held</b>	<b>% of Shareholding</b>
<b>A. PROMOTERS</b>		
Promoter and Promoter Group	72461460	64.77
<b>B. PUBLIC</b>		
Bodies Corporate	1901763	1.7
Individuals holding nominal share capital upto 1 lac	31217383	27.904
Individuals holding nominal share capital in excess of 1 lac	4606963	4.118
Financial Institutions/Banks	53500	0.048
NRIs/OCBs	1173634	1.049
Clearing Members	429797	0.384
Mutual Funds/UTI	30500	0.027
Trust	0	0.0
Wholly owned subsidiaries	0	0.0
<b>Total</b>	<b>111875000</b>	<b>100</b>

### Distribution of Shareholding as on 31<sup>st</sup> March, 2013

<b>Category</b>	<b>No. of Shareholders</b>	<b>% of Shareholders</b>	<b>No. of Shares Held</b>	<b>% of Shareholding</b>
1-1000	8481	50.056	3840060	3.432
1001-2000	2933	17.311	2871295	2.567
2001-4000	1871	11.043	3238634	2.895
4001-6000	1271	7.052	3340241	2.986
6001-8000	336	1.983	1252013	1.119
8001-10000	790	4.663	3884253	3.472
10001-20000	735	4.338	5978967	5.344
20001 & above	526	3.105	87469537	78.185
<b>Total</b>	<b>16943</b>	<b>100</b>	<b>111875000</b>	<b>100</b>

### 9.12 Dematerialization of Shares

Pursuant to the SEBI directive, to enable the shareholders to hold their shares in electronic form, the Company has enlisted its shares with Central Depository Services

(India) Ltd. (CDSL) and National Securities Depository Limited. Company has been allotted ISIN No. INE – 839A01021. As at 31.03.2013, 99, 47,214 Equity Shares were held in demat form in CDSL and 9, 20, 31,186 shares were held in demat form in NSDL.

**9.13 Outstanding GDR'S/ADR's/ Warrants or any Convertible instruments, conversion date and likely impact on equity**

There are no Outstanding GDR'S/ADR's/ Warrants or any Convertible instruments.

**9.14 Plant Locations**

The Company does not have any manufacturing activity.

**9.15 Address for correspondence**

**Registered Office:** 4/18, IInd Floor, Asaf Ali Road,  
New Delhi, 110002

**10. CEO Certification**

A certificate from the Director on the financial statements of the Company was placed before the Board.

**CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT AS PER CLAUSE 49 OF LISTING AGREEMENT**

I, Ankit Rathi, Director of the Company, hereby declare that the Company has adopted a Code of Conduct for its Board Members and senior management and the Board members and senior management have affirmed compliance with the Code of Conduct of the Company.

By Order Of Board  
**For Bits Limited**

Sd/-  
**Ankit Rathi**  
**(Director)**  
**DIN No. 01379134**



**CEO CERTIFICATION**

I, Ankit Rathi, Director of Bits Limited to the best of my knowledge and belief hereby certify that:

- a) I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
  - ii. These statements together present a true & fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
  
- b) There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
  
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
  
- d) I have indicated to the Auditors and the Audit Committee
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
  - iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the Management or an Employee having a significant role in the Company's internal control system over financial reporting.

**Date:** 30.08.2013  
**Place:** New Delhi

**Sd/-**  
**(Ankit Rathi)**  
**Director**  
**DIN No. 01379134**

**INDEPENDENT AUDITOR'S REPORT**

To the Members of

BITS LIMITED.

We have audited the accompanying financial statements of BITS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
    - (i) Investment in Shares quoted on regional stock exchanges/Unquoted Shares does not have readily market value.
    - (ii) Loans & advances are subject to confirmation.
  - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

# ***SONI GULATI & CO.***

Chartered Accountants

G-79/212, Laxmi Nagar,  
Main Market, Delhi-92

- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Soni Gulati & Company

**Chartered Accountants**

FRN:8770

Sd/-

Sanjeev kumar

**(Partner)**

Membership No. :091901

Place: New Delhi

Date: 11/05/2013

**ANNEXURE TO THE AUDITOR'S REPORT**

(As referred to in paragraph (1) of our report of even date on the accounts of BITS Ltd. for the year ended on 31.03.2013)

1. (a) The Company has maintained proper records of Fixed Assets showing full particulars including quantitative details & situations of Fixed Assets.  
  
(b) Further we are informed that the management during the current year has conducted physical verification of fixed assets at regular intervals and no material discrepancies were noticed by the management on physical verification of these fixed assets.  
  
(c) In our opinion, the Company has not disposed of substantial part of the fixed assets during the year and going concern status of the company is not affected.
2. (a) As informed to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification was reasonable.  
  
(b) The procedure of physical verification of inventories followed by the management was reasonable and adequate in relation to the size of the company and nature of its business.  
  
(c) In our opinion and based on our examination, the company has maintained proper records of inventory. No material discrepancies were noticed on physical verification of stocks as compared to book records.
3. a. The company has granted unsecured interest free loan to one company covered in the Register maintained under section 301 of Companies Act, 1956. The amount of loan given during the year was Rs 49 Lacs.  
  
b. In our opinion except the rate of interest (which is interest free), other conditions of loans given by the company are prima facie not prejudicial to the interest of the Company.  
  
c. There is no stipulation regarding Repayment of Principal.  
  
d. The Company had taken loan from one company covered in the register maintained Under section 301 of the companies Act, 1956. .The amount of loan taken During the year was Rs 182600 /-  
  
e. The loan taken was interest free  
f. The loan has already been re paid during the year
4. In our opinion and according to the information and explanations given to us, there are Adequate internal control procedures commensurate with the size of the company and the

the Nature of its business with regard to purchase of inventory, fixed assets and with regard to

Sale of goods and services. During the course of our audit we have not observed any Continuing failure to correct major weaknesses in internal controls.

5. a. According to the information and explanations given to us we are of the opinion that the Transaction that need to be entered into the register maintained u/s 301 of the Companies Act, 1956 are being entered.  
  
b. In our opinion and according to the information and explanations given to us, we are of the opinion that the transactions made in pursuance of contracts or arrangements have been made at price which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information & explanation given to us the company has not accepted deposits from the public, therefore the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules 1975 are not applicable to the company
7. The Company does not have an internal audit system commensurate with the size of business.
8. We are informed that the Central Government has not prescribed for the maintenance of cost records under section 209(i) (d) of the Companies Act, 1956, for the Company.
9. (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including PF, Investors education protection fund, ESI, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs duty, Excise duty, Cess and the other material statutory dues to the extent applicable. No undisputed amounts were outstanding for a period of more than six months from the date of becoming payable.  
  
(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, custom duty, excise duty and cess as on 31/03/2013 which has not been deposited on account of any dispute.
10. Accumulated losses of the company is less than 50% of it's net-worth. The Company has not incurred cash loss during the financial year , there were also no cash losses in the immediately preceding financial year.
11. According to the information & explanation given to us, the company has not taken any loans from the financial institutions or bank or debenture holders during the year, so there is no question of the default in payment.
12. According to the information & explanation given to us, the company has not granted Loans & Advances on the basis of security by way of pledge of shares, debentures and other securities during the year. Therefore the provisions of clause 4(xii) of the CARO 2003 are not applicable to the company.

13. In our opinion and according to the information and explanations given to us, the company is not a chit fund or Nidhi Mutual benefit fund / Society. Therefore the provisions of clause 4(xiii) of the CARO 2003 are not applicable to the company.
14. The company is not dealing in or trading in shares, securities, debentures and other investments. Therefore the provisions of clause (xiv) of Para 4 of the order are not applicable to the company.
15. According to the information & explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions during the year. Therefore the provisions of clause (xv) of Para 4 of the order are not applicable to the company.
16. As per examination, the company has not taken any term loan during the year. Therefore the provisions of clause (xvi) of Para 4 of the order are not applicable to the company.
17. The company has not raised any short term fund which has been used for the long term investment during the year, therefore the provisions of clause (xvii) of Para 4 are not applicable to the company.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year. Therefore the provisions of clause (xviii) of Para 4 of the order are not applicable to the company.
19. The company has not issued debentures during the year. Therefore the provisions of clause (xix) of Para 4 of the order are not applicable to the company
20. The company has not raised money by public issues during the year. Therefore the provisions of clause (xx) of Para 4 of the order are not applicable to the company
21. Based on our audit procedures and on the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

For **Soni Gulati & Company**

**Firm No. : 8770**

Chartered Accountants

Place: New Delhi  
Date: 11.05.2013

Sd/-  
Sanjeev Kumar  
(Partner)  
M.No. : 091901

BALANCE SHEET AS AT 31ST. MARCH, 2013

Particulars	Note	AS AT 31st, MARCH 2013	AS AT 31st, MARCH 2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDER'S FUND</b>			
(a) SHARE CAPITAL	1	223,750,000.00	223,750,000.00
(b) RESERVES AND SURPLUS	2	169,971,839.01	168,660,888.61
<b>(2) NON CURRENT LIABILITIES</b>			
(a) LONG TERM BORROWINGS			
(i) LOANS & ADVANCES FROM OTHERS	3	2,000,000.00	2,000,000.00
(b) DEFERRED TAX LIABILITY(NET)		2,928,322.00	2,811,325.00
<b>(3) CURRENT LIABILITIES</b>			
(a) OTHER CURRENT LIABILITIES	4	193,946,756.00	3,620,989.00
<b>TOTAL</b>		592,596,917.01	400,843,202.61
<b>II. ASSETS</b>			
<b>(1) NON CURRENT ASSETS</b>			
(a) FIXED ASSETS			
(i) TANGIBLE FIXED ASSETS	5	18,117,811.00	18,721,638.00
(b) NON CURRENT INVESTMENTS	6	218,080,360.00	26,241,925.00
<b>(2) CURRENT ASSETS</b>			
(a) INVENTORIES	7	40,692,392.00	41,103,223.00
(b) TRADE RECEIVABLES	8	246,931,062.00	257,699,021.00
(c) CASH AND CASH EQUIVALENTS	9	795,230.01	239,667.61
(d) SHORT TERM LOANS AND ADVANCES	10	67,980,062.00	56,837,728.00
<b>TOTAL</b>		592,596,917.01	400,843,202.61
NOTES TO ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES	17		
THE NOTE NOS 1 TO 17 ARE INTEGRATED PART OF FINANCIAL STATEMENTS		-	-

IN TERMS OF OUR AUDIT REPORT  
OF EVEN DATE ATTACHED

FOR **SONI GULATI & CO.**  
CHARTERED ACCOUNTANTS  
FRN 08770

FOR & ON BEHALF OF BOARD

( SANJEEV KUMAR )  
PARTNER  
M. NO. 091901

Sd/-  
(Ashok Agarwal )  
CHAIRMAN

Sd/-  
(ANKIT RATHI)  
DIRECTOR

PLACE : NEW DELHI

DATE : 11.05.2013



**BITS LIMITED**

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2013

S.No	PARTICULARS	Note	FOR THE YEAR ENDED 31ST MARCH,2013	FOR THE YEAR ENDED 31ST MARCH,2012
I.	REVENUE FROM OPERATIONS	11	417,967.00	2,394,900.00
II.	OTHER INCOME	12	3,304,581.00	4,164,487.30
III.	TOTAL REVENUE		<b>3,722,548.00</b>	<b>6,559,387.30</b>
IV.	EXPENSES:			
	CHANGE IN INVENTORIES	13	410,831.00	2,324,610.00
	EMPLOYEE BENEFIT EXPENSES	14	628,950.00	598,395.00
	FINANCE COSTS	15	1,539.60	86,367.88
	DEPRECIATION		603,827.00	603,827.00
	OTHER EXPENSES	16	649,453.00	3,133,801.81
	TOTAL EXPENSES		<b>2,294,600.60</b>	<b>6,747,001.69</b>
V.	PROFIT BEFORE TAX(III-IV)		<b>1,427,947.40</b>	<b>(187,614.39)</b>
VI.	TAX EXPENSE:			
	(1)CURRENT TAX		-	-
	(2)DEFERRED TAX		116,997.00	153,423.00
VII.	PROFIT(LOSS) FOR THE PERIOD(V-VI)		<b>1,310,950.40</b>	<b>(341,037.39)</b>
VIII.	EARNINGS PER EQUITY SHARE		0.012	(0.003)
	(1)BASIC		0.012	(0.003)
	(2)DILUTED		0.012	(0.003)

NOTES TO ACCOUNTS & SIGNIFICANT ACCOUNTING POL 17  
THE NOTE NOS 1 TO 17 ARE INTEGRATED PART OF FINANCIAL STATEMENTS

IN TERMS OF OUR AUDIT REPORT  
OF EVEN DATE ATTACHED

FOR **SONI GULATI & CO.**  
CHARTERED ACCOUNTANTS  
FRN 08770

FOR & ON BEHALF OF BOARD

(SANJEEV KUMAR)  
PARTNER  
M. NO. 091901

Sd/-  
(Ashok Agarwal)  
CHAIRMAN

Sd/-  
(ANKIT RATHI)  
DIRECTOR

PLACE : NEW DELHI  
DATE : 11.05.2013

# BITS LIMITED

## NOTES TO THE ACCOUNTS

	AS AT 31ST MARCH,2013	AS AT 31ST MARCH,2012
<b>NOTE - 1</b>		
<b><u>SHARE CAPITAL</u></b>		
<b><u>AUTHORIZED SHARE CAPITAL</u></b>		
201250000 EQUITY SHARES OF RS. 2/-EACH (PR. YEAR 201250000 EQUITY SHARES OF RS. 2/-EACH)	402,500,000.00	402,500,000.00
<b><u>ISSUED, SUBSCRIBED &amp; PAID UP</u></b>		
111875000 EQUITY SHARES OF RS. 2/-EACH ( PR. YEAR 111875000 EQUITY SHARES OF RS. 2/-EACH)	223,750,000.00	223,750,000.00
	223,750,000.00	223,750,000.00

### DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF PAID UP EQUITY SHARE CAPITAL

SHAREHOLDER	31.03.2013	31.03.2012	AS AT 31.03.2013	AS AT 31.03.2012
	NO. OF SHARES	NO. OF SHARES	PERCENTAGE	PERCENTAGE
PAN INDIA CORPORATION LTD.	48918539	48918539	43.73%	43.73%
VIZWISE COMMERCE PRIVATE LIMITED	23542921	23542921	21.04%	21.04%

### SHARE RECONCILIATION STATEMENT

	AS AT 31.03.2013	AS AT 31.03.2012
PARTICULARS	EQUITY	EQUITY
SHARES OUTSTANDING AT THE BEGINNING OF THE YEAR	111,875,000	111,875,000
SHARES ISSUED DURING THE YEAR	-	-
SHARES BOUGHT BACK DURING THE YEAR	-	-
SHARES OUTSTANDING AT THE END OF THE YEAR	111,875,000	111,875,000

### **NOTE - 2**

#### **RESERVES AND SURPLUS**

SHARE PREMIUM	248,750,000.00	248,750,000.00
GENERAL RESERVE	1,000,000.00	1,000,000.00
<b><u>PROFIT &amp; LOSS ACCOUNT</u></b>		
OPENING BALANCE	(81,089,111.39)	(80,748,074.00)
ADD: PROFIT/(LOSS) OF CURRENT YEAR	1,310,950.40	(341,037.39)
CLOSING BALANCE	(79,778,160.99)	(81,089,111.39)
	169,971,839.01	168,660,888.61

### **NOTE - 3**

#### **LOANS & ADVANCES FROM OTHERS**

##### **UNSECURED:**

LOAN FROM BODY CORPORATE	2,000,000.00	2,000,000.00
	2,000,000.00	2,000,000.00

### **NOTE - 4**

#### **OTHER CURRENT LIABILITIES**

OTHER LIABILITIES	193,876,906.00	3,554,989.00
AUDIT FEES PAYABLE	18,000.00	18,000.00
SALARY PAYABLE	51,850.00	48,000.00
	193,946,756.00	3,620,989.00

**BITS LIMITED**

**NOTE-5**

**TANGIBLE FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As On 01.04.2012	Addition	Deduction	As On 31.03.2013	Up To 31.03.2012	For the Year	Depreciation Adjustment	Up To 31.03.2013	As On 31.03.2013	As On 31.03.2012
AIRCONDITIONER	2,340,132	-	-	2,340,132	1,858,243	111,156	-	1,969,399	370,733	481,889
COMPUTER & ACCESSORIES	55,380,772	-	-	55,380,772	55,354,729.000	-	-	55,354,729.000	26,043	26,043
ELECTRICAL INSTALLATION	1,830,537	-	-	1,830,537	1,416,556	86,950	-	1,503,506	327,031	413,981
FURNITURE & FIXTURE	34,021,698	-	-	34,021,698	33,429,723	-	-	33,429,723	591,975	591,975
BIKES	70,000	-	-	70,000	15,359	6,650	-	22,009	47,991	54,641
PREMISES	23,171,560	-	-	23,171,560	6,157,951	377,696	-	6,535,647	16,635,913	17,013,609
MOTOR VEHICLE	225,000	-	-	225,000	85,500	21,375	-	106,875	118,125	139,500
<b>TOTAL</b>	117,039,699	-	-	117,039,699	98,318,061	603,827	-	98,921,888	18,117,811	18,721,638
<b>PREVIOUS YEAR</b>	117,039,699	-	-	117,039,699	97,714,234	603,827	-	98,318,061	18,721,638	19,325,465

	AS AT 31ST MARCH,2013	AS AT 31ST MARCH,2012
<b>NOTE-6</b>		
<b>NON CURRENT INVESTMENTS</b>		
<b>OTHER INVESTMENTS:</b>		
<b>INVESTMENT IN EQUITY INSTRUMENTS</b>		
<b>QUOTED :</b>		
EQUITY SHARES OF SOFTWARE TECHNOLOGY GROUP INTERNATIONAL LTD 1000000 Equity shares of Rs 10/- each (Pr. Year 1000000 Equity shares of Rs 10/- each)	7,000,000.00	7,000,000.00
<b>UNQUOTED :</b>		
EQUITY SHARES OF MEDICLOUD SOFTWARES LTD. 16180 Equity shares of Rs 10/- each (Pr. Year 16180 Equity shares of Rs 10/- each)	161,800.00	161,800.00
EQUITY SHARES OF TURBO BELL MOULDS PVT. LTD. 7000 Equity shares of Rs 100/- each (Pr. Year 7000 Equity shares of Rs 100/- each)	1,050,000.00	1,050,000.00
EQUITY SHARES OF MILI INVESTMENT & TRADERS PVT. LTD. 500 Equity shares of Rs 10/- each ( Pr. Year 500 Equity shares of Rs 10/- each )	5,000.00	5,000.00
EQUITY SHARES OF PRURIENT IT SOLUTIONS PVT. LTD. 5000 Equity shares of Rs 10/- each ( Pr. Year 5000 Equity shares of Rs 10/- each )	50,125.00	50,125.00
EQUITY SHARES OF SFS GLOBAL LTD. 3000 Equity shares of Rs 10/- each ( Pr. Year 3000 Equity shares of Rs 10/- each )	1,500,000.00	1,500,000.00
EQUITY SHARES OF SOUTH COAST REALTY PVT. LTD. 200 Equity shares of Rs 10/- each ( Pr. Year 200 Equity shares of Rs 10/- each )	500,000.00	500,000.00
EQUITY SHARES OF TOP CLASS ENTERPRISES PVT. LTD. 8930 Equity shares of Rs 10/- each ( Pr. Year 390 Equity shares of Rs 10/- each )	22,378,390.00	975,000.00
EQUITY SHARES OF ALPS ENERGY PVT. LTD. 666700 Equity shares of Rs 10/- each	100,255,020.00	-
EQUITY SHARES OF SNOWFLAKES MEDITECH PVT. LTD. 466700 Equity shares of Rs 10/- each	70,180,025.00	
PREFERENCE SHARES OF UJJWAL LTD 150000 Preference Shares of Rs 100/- each (PY: 150000 Preference Shares Partly Paid Up) (ASSOCIATE COMPANY) (Aggregate value of Quoted Shares Rs. 7000000/- PY: Rs.7000000/-) (Market value of Quoted Investments Rs.2320000/- PY: Rs.3430000/-). (Aggregate amount of Unquoted Investments Rs. 211080360 /- PY:Rs.19241925/-)	15,000,000.00	15,000,000.00
	<b>218,080,360.00</b>	<b>26,241,925.00</b>
<b>NOTE-7</b>		
<b>INVENTORIES</b>		
(AS TAKEN VALUED & CERTIFIED BY THE MANAGEMENT)		
STOCK-IN-TRADE	40,692,392.00	41,103,223.00
	<b>40,692,392.00</b>	<b>41,103,223.00</b>
<b>NOTE-8</b>		
<b>TRADE RECIEVABLES</b>		
TRADE RECIEVABLES OUTSTANDING FOR A PERIOD LESS THAN SIX MONTHS FROM THE DATE THEY ARE DUE FOR PAYMENT		
- UNSECURED CONSIDERED GOOD	-	1,142,000.00
TRADE RECIEVABLES OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS FROM THE DATE THEY ARE DUE FOR PAYMENT		
- UNSECURED CONSIDERED GOOD	246,931,062.00	256,557,021.00
	<b>246,931,062.00</b>	<b>257,699,021.00</b>
<b>TRADE RECIEVABLES STATED ABOVE INCLUDES AMOUNTS DUE BY:</b>		
-PRIVATE COMPANIES IN WHICH DIRECTOR IS A DIRECTOR	-	5,471,786.00

	AS AT 31ST MARCH,2013	AS AT 31ST MARCH,2012
<b><u>NOTE-9</u></b>		
<b><u>CASH &amp; CASH EQUIVALENTS</u></b>		
CASH IN HAND	67,712.55	172,493.55
<u>BALANCE WITH BANKS:</u>		
IN CURRENT ACCOUNT	727,517.46	67,174.06
	<u>795,230.01</u>	<u>239,667.61</u>
<b><u>NOTE-10</u></b>		
<b><u>SHORT TERM LOANS &amp; ADVANCES</u></b>		
<b><u>LOANS &amp; ADVANCES TO RELATED PARTIES</u></b>		
- UNSECURED CONSIDERED GOOD	24,774,000.00	22,724,000.00
<b><u>OTHER SHORT TERM LOANS &amp; ADVANCES</u></b>		
- UNSECURED CONSIDERED GOOD	42,300,424.00	33,495,000.00
TAX DEDUCTED AT SOURCE	678,638.00	391,728.00
DEPOSITS	227,000.00	227,000.00
	<u>67,980,062.00</u>	<u>56,837,728.00</u>
<b>LOANS &amp; ADVANCES STATED ABOVE INCLUDES AMOUNTS DUE BY:</b>		
-PRIVATE COMPANIES IN WHICH DIRECTOR IS A DIRECTOR	24,774,000.00	22,724,000.00
<b><u>NOTE-11</u></b>		
<b><u>REVENUE FROM OPERATIONS</u></b>		
SALE OF BOOKS	197,047.00	756,800.00
SALE OF COURSE MATERIAL	220,920.00	1,638,100.00
	<u>417,967.00</u>	<u>2,394,900.00</u>
<b><u>NOTE-12</u></b>		
<b><u>OTHER INCOME</u></b>		
RENT	3,179,108.00	4,153,615.00
INTEREST	125,473.00	
MISCELLANEOUS INCOME	-	10,872.30
	<u>3,304,581.00</u>	<u>4,164,487.30</u>
<b><u>NOTE-13</u></b>		
<b><u>CHANGE IN INVENTORIES</u></b>		
OPENING STOCK	41,103,223.00	43,427,833.00
LESS : CLOSING STOCK	40,692,392.00	41,103,223.00
	<u>410,831.00</u>	<u>2,324,610.00</u>
<b><u>NOTE-14</u></b>		
<b><u>EMPLOYEE BENEFIT COSTS</u></b>		
SALARY & ALLOWANCES	623,550.00	576,000.00
STAFF WELFARE	5,400.00	22,395.00
	<u>628,950.00</u>	<u>598,395.00</u>
<b><u>NOTE-15</u></b>		
<b><u>FINANCIAL COSTS</u></b>		
BANK CHARGES	842.60	3,170.88
INTEREST ON SERVICE TAX	697.00	83,197.00
	<u>1,539.60</u>	<u>86,367.88</u>
<b><u>NOTE-16</u></b>		
<b><u>OTHER COSTS</u></b>		
CONVEYANCE	2,886.00	-
ELECTRICITY EXPENSES	93,558.00	92,250.00
POSTAGE & COURIER	68,512.00	157,056.00
AGM EXPENSES	7,000.00	3,400.00
LISTING FEES	67,416.00	66,180.00
AUDITORS REMUNERATION	18,000.00	18,000.00
LEGAL & PROFESSIONAL CHARGES	52,750.00	27,255.00
MISCELLANEOUS EXPENSES	3,270.00	4,610.00
PRINTING & STATIONERY	1,360.00	7,200.00
PUBLISHING FEES	36,490.00	18,919.00
SHARE TRANSFER & CUSTODIAL CHARGES	56,180.00	55,150.00
REPAIR & MAINTAINENCE	230,811.00	231,684.00
PRIOR PERIOD ITEMS	-	1,719,853.00
PROPERTY TAX	-	262,440.00
INSURANCE CHARGES	1,330.00	1,256.00
FILING FEES	2,062.00	3,680.00
SHORT & EXCESS	-	399,868.81
TELEPHONE EXP.	7,828.00	-
PENALTY	-	65,000.00
	<u>649,453.00</u>	<u>3,133,801.81</u>

**BITS LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013**

Amount(in Rs.)

	For Year Ended 31.03.2013 Rupees	For Year Ended 31.03.2012 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/ (Loss) before Tax and Extraordinary Items	1,427,947.40	(187,614.39)
Adjustments:		
Depreciation	603,827.00	603,827.00
Investment written off	-	-
	-	-
Operating Profit before Working Capital Changes	2,031,774.40	416,212.61
Working Capital Changes:		
Decrease/ (increase) in Current Assets	36,456.00	1,215,831.00
Increase/ (decrease) in Current Liabilities	190,325,767.00	(511,349.00)
Cash Generated from Operations	192,393,997.40	1,120,694.61
	-	-
Net cash flow from/ (used in) operating activities	192,393,997.40	1,120,694.61
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Shares	-	-
Purchase of Investments	(191,838,435.00)	(4,830,125.00)
	-	-
Purchase of Fixed Assets	-	-
Net cash flow from/ (used in) investing activities	(191,838,435.00)	(4,830,125.00)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/ (decrease) in Unsecured Loans	-	-
Increase/ (decrease) in Secured Loans	-	-
Net cash flow from/ (used in) financing activities	-	-
i) Net increase/ (decrease) in cash and cash equivalents (A+B+C)	555,562.40	(3,709,430.39)
ii) Cash and cash equivalents as at 1st April (Opening Balance)   Cash in Hand	172,493.55	131,691.00
Balance with Banks	67,174.06	3,817,407.00
	<b>239,667.61</b>	<b>3,949,098.00</b>
iii) Cash and cash equivalents as at 31st March (Closing Balance)   Cash in Hand	67,712.55	172,493.55
Balance with Banks	727,517.46	67,174.06
	<b>795,230.01</b>	<b>239,667.61</b>
Net Increase/Decrease in Cash & Cash Equivalents	555,562.40	(3,709,430.39)

**Auditors' Report**

As per our report of even date attached

**For: Soni Gulati & Company**

Firm No. : 8770

Chartered Accountants

**For and on behalf of Board**

Sanjeev Kumar

Partner

M.No. : 091901

Sd/-

(Ashok Agarwal )

CHAIRMAN

Sd/-

Ankit Rathi

(Director)

Place: New Delhi

Date : 11-05-2013

## NOTE-17

### Significant Accounting Policies & Notes forming part of the accounts for the year ended on 31<sup>st</sup> March, 2013.

#### A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial Statements

The financial statement has been prepared on historical cost convention and in accordance with normally accepted accounting principles and applicable accounting standards.

2. Revenue Recognition and other policies

- a) The company follows mercantile system of accounting.
- b) Revenue / Income and cost /expenses are generally accounted for on accrual basis as they are earned or incurred.
- c) Income from Information Technology and Computer Education is accounted and credited to income in the period of invoices raised to the students.
- d) Technical know-how fees from new franchisee centers are accounted for in the year in which agreement is entered into.
- e) Franchisee centers operational expenses are accounted in proportion to the bills raised.
- f) Sales of educational Course Materials are recognised on the basis of requisitions.

3. Fixed Assets

Fixed assets are stated at cost less depreciation. The cost of assets comprises of purchase price and any direct cost attributable to its acquisition or bringing the assets to working condition or intended use.

4. Depreciation

Depreciation is provided on straight-line method at the rate specified in Schedule - XIV of the Companies Act, 1956. In respect of additions to fixed assets, depreciation is being calculated on a pro-rata basis from the date of such addition.

Depreciation on fixed assets sold, discarded or demolished during the year is being provided at their respective rates upto the date on which such assets are sold, discarded or demolished.

5. Inventories

Closing stock of Educational Course material & Books is valued at cost of acquisition. The company is in information technology business and is holding stock of courseware material and computer hardware & software's and it is considered to realize at least the value at which they are stated in the books.

6. Investments

Investments are Non Current in nature and are stated at cost & any decline other than temporary in the value of such investments is charged to the profit & loss account.

7. Miscellaneous Expenditure

The Company does not have any miscellaneous expenditure.

8. Employee Benefits

Contributions to Provident Fund are accounted on actual liabilities basis. At present there is no employee in the company who has completed 5 years or more, so the requirements of Accounting Standard-15 are not applicable. According to the management, the compensation & benefits payable to employees who have left the service were settled at the time they have left.

9. Taxation

Provision for tax is made for both current and deferred taxes. Current tax is provided on the basis of taxable income computed in accordance with the provisions of Income Tax Act, 1961. Deferred tax Assets and liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognised using the tax rates and tax laws that have been enacted or substantively enacted.

## B. NOTES ON ACCOUNTS

- The balances of Trade Receivables, and Loans and Advances are subject to confirmation. The company is in the process of obtaining confirmation of balances in respect of these. Necessary adjustments, if any, shall be made on receipts/ payments and reconciliation of such balances.

### 2. Auditor's Remuneration

	<u>Year ended</u> <u>31.03.2013</u> <u>(Rs.)</u>	<u>Year ended</u> <u>31.03.2012</u> <u>(Rs.)</u>
Statutory Audit Fees	18000	12000
Tax Audit Fees	-	6000
Certification	<u>2250</u>	<u>2250</u>
	<b>20250</b>	<b>20250</b>

### 3. Segment Reporting

In accordance with Accounting Standard 17 on Segment Reporting, issued by The Institute of Chartered Accountants of India, the Company has only one reportable business segment. Hence segment reporting is not applicable to the company.

### 4 Disclosure regarding related parties as required under AS-18 on Related Party Disclosure

#### A. Related Party Relationship

- A) Associates:  
Pan India Corporation Ltd.  
K.K.Kargomail (India) Pvt Ltd.  
Vizwise Commerce Pvt. Ltd  
Ujjwal ltd  
Prurient IT Solutions Pvt Ltd.

#### C) Key Management Personnel:

Ram Kumar Yadav  
Ashok Agarwal  
Kapil Kumar  
Ankit Rathi

### B. Related Party Transactions

	Opening Balance	Received	Paid	Closing Balance	Maximum Balance
Vizwise Commerce Pvt Ltd(Trade Recvbl)	5471786/-Dr	5471786/-	Nil	Nil	5471786/-Dr
Vizwise Commerce Pvt Ltd(Loan)	22724000/- Dr	2850000/-	4900000/-	24774000/-Dr	27174000/-Dr
Pan india corporation limited( Loan 0	NIL	221884,00	221884	NIL	100000
Pan india corporation limited(( Liabilities)	NIL	9125000.00	NIL	9125000.00	9125000.00

### 5. Earnings per share

The basic and diluted earnings per share of the company are same because the company does not have any outstanding options, warrants, convertible debentures or any other instrument which may result in issue of equity shares at a price less than their fair market value.



The earnings per share given in Profit & Loss Account has been calculated as under:-

	Current Year	Previous Year
<i>Before considering exceptional items:</i>		
a) Net Profit/ (Loss) for the year attributable to Equity Shareholders	Rs .1310950.40	Rs. (341037.39)
b) Weighted average number of equity Shares outstanding during the year	111875000	111875000
c) Basic and diluted earnings per share {Item (a) divided by Item (b)}	Rs. 0.012	Rs. (0.002)
d) Nominal value of each share	Rs. 2/-	Rs. 2/-
<i>After considering exceptional items:</i>		
d) Net Profit/ (Loss) for the year attributable to Equity Shareholders	Rs 1310950.40	Rs. (341037.39)
e) Weighted average number of equity Shares outstanding during the year	111875000	111875000
f) Basic and diluted earnings per share {Item (a) divided by Item (b)}	Rs. 0.012	Rs. (0.003)
d) Nominal value of each share	Rs. 2/-	Rs. 2/-

6. Accounting for Taxes on Income

In accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India the Company has accounted for deferred tax during the year.

Deferred tax liability amounting to Rs. 116997/-, created during the year, has been debited to the Profit & Loss Account and net deferred tax liability of Rs. 2928322/- on account of depreciation difference has been shown in the balance sheet. .

Net Deferred tax asset on account of brought forward losses and disallowed expenditures has not been recognised as there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

8. Additional information pursuant to the provision of part II of Schedule VI to the Companies Act 1956:

Details of Sale & Purchase of Educational Course Material & books:

PARTICULARS	PURCHASES	SALES
COURSE MATERIAL	Nil	220920.00
	(Nil)	(1638100.00)
BOOKS	Nil	197047.00
	(Nil)	(756800.00)
TOTAL	Nil	417967.00
	(Nil)	(2394900.00)

	<u>Current Year</u>	<u>Previous Year</u>
Expenses in foreign currency	Nil	Nil
Earning of foreign currency (in Rs.)	Nil	Nil
C.I.F. Value of Imports	Nil	Nil

10. Contingent liabilities

- i) Claims made against the company not acknowledged as debt Nil (PY : Nil)
- ii) Capital Commitments Nil(PY:Nil)

11. The previous year figures have been regrouped/ reclassified wherever necessary to render them comparable.

**Auditors' Report**

As per our separate report of even date  
Attached herewith

For and on behalf of the board

For **Soni Gaulti & Company**  
F.No - 8770  
Chartered Accountants

Sanjeev Kumar  
Partner  
M.No 091901

Sd/-  
Ashok Agarwal  
(CHAIRMAN)

Sd/-  
Ankit Rathi  
(Director)

Date: 11.05.2013  
Place: New Delhi

BITS LIMITED  
DEPRECIATION AS PER INCOME TAX ACT FOR THE YEAR ENDING 31ST MARCH,2013

Sr. No.	Description of Assets	Rate of Dep.	W.D.V. As At 31.03.2012	Additions/ (Deletions)		Total Cost As At 31.03.2013	Depreciation for the year	W.D.V. As At 31.03.2013
				More than 180 days	Less than 180 days			
1	Computers & Accessories	60%	1,904		-	1,904	1,142	762
2	Computer Softwares	60%	4,588	-	-	4,588	2,753	1,835
3	Air Conditioners	15%	101,083		-	101,083	15,162	85,921
4	Electrical Installation	15%	72,017	-	-	72,017	10,803	61,214
5	Furniture & Fixtures	10%	5,022,607	-	-	5,022,607	502,261	4,520,346
6	Premises	10%	4,257,067	-	-	4,257,067	425,707	3,831,360
7	Motor Vehicle	15%	117,451	-	-	117,451	17,618	99,833
8	Bike	15%	46,782	-	-	46,782	7,017	39,765
	<b>Total</b>		9,623,499	-	-	9,623,499	982,463	8,641,036

**PROXY FORM**

**BITS LIMITED**

**Regd. Office – 4/18, IInd Floor, Asaf Ali Road, New Delhi-110002**

Folio No. \_\_\_\_\_

DPID No. \_\_\_\_\_

CLIENT ID No. \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member/members of BITS LIMITED hereby appoint \_\_\_\_\_ vote for me/us and on my/our behalf at the 21<sup>st</sup> Annual General Meeting of the Company to be held on 30<sup>th</sup> September, 2013 at 4/18, IInd Floor, Asaf Ali Road, New Delhi-110002 at 10.00 A.M. and at any adjournment thereof.

As witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Signed by the said \_\_\_\_\_

Affix Rs.1 Revenue Stamp
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Note: This Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

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**BITS LIMITED**

**Regd. Office – 4/18, IInd Floor, Asaf Ali Road, New Delhi-110002**

**Attendance Slip**

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

I hereby record my presence at the 21<sup>th</sup> Annual General Meeting of the Company at registered office at 4/18, IInd Floor, Asaf Ali Road, New Delhi-110002 on Saturday, September 30, 2013 at 10.00 A.M.

Members /Proxy Name :  
(In Capital Letters)

Folio no. :

DPID No. :

Client ID No. :

Signed by the said \_\_\_\_\_

# BOOK – POST

If undelivered please return to:

**BITS LIMITED**

**Regd. Office – 4/18, IInd Floor, Asaf Ali Road, New Delhi-110002**