



Bits Limited

CIN: L72200DL1992PLC241971

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

POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013)

To,
The Members of
Bits Limited

Dear Member(s),

Notice is hereby given, pursuant to Section 110 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") read with Rule 22 of the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, that the Company seeks approval of Members for the following Special Business via Postal Ballot including remote e voting:

Authorization for Giving Loans / Guarantees, providing securities and / or making investments in securities of any other body corporate exceeding sixty percent of company's paid up capital and its free reserves and securities premium account or one hundred percent of its free reserves and security premium, whichever is more subject to the total loans/ guarantees given or investments made, and securities provided shall not at any time exceed Rs. 200 Crores.

Accordingly, the draft resolutions and the explanatory statement pursuant to Section 102 of the Companies Act, 2013 are being sent to you along with a Postal Ballot Form for your consideration. The board of directors of the company has appointed Ms. Naveen Rastogi, Company Secretary in Practice (FCS 3685 & CP No. 3785), as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed in all respects, in the attached self addressed postage prepaid envelope, so as to reach the Scrutinizer not later than 5.00 PM on Tuesday, the 29th September, 2015.

Members may note that as required under the provisions of Section 108, 110 and other applicable provisions, if any, of the Act and the rules as applicable in that regard and Clause 35B of the Listing Agreement, the Company has engaged the services of National Securities Depository Limited to provide remote e-voting facility to the Members of the Company.

Accordingly, the Company is also providing remote e-voting facility as an alternate, which would also enable Members to cast their votes electronically, instead of returning Postal Ballot Form. Please read and follow the instructions on remote e-voting enumerated in the Notes and Instructions to this Notice.

Only members entitled to vote are entitled to fill in the Postal Ballot Form and send it to the Scrutinizer or vote under the remote e-voting facility offered by the Company, and any other recipient of this Notice who has no voting rights should treat the Notice as an intimation only. Detailed instructions to use the remote e-voting facility are given separately.

The scrutinizer will submit his final report on 01st October, 2015 to the Chairman of the Company, and in his absence to the Whole Time Director of the Company, after completion of the scrutiny of the Postal Ballots, the results thereof will be announced by either by the said Chairman or by the Whole Time Director in the former's absence on 01st October 2015, at 11.00 a.m. at the Registered Office of the Company. The aforesaid results would be displayed along with the Scrutinizer's Report on the Notice Board of the Company and at the Company's website at <http://www.bits.net.in/> and website of the National Securities Depository Limited ("NSDL") at <https://nsdl.co.in/> and intimated to the stock exchanges where the shares of the Company are listed.

The date of declaration of result shall be deemed to be date of passing of the said resolutions, if approved by the requisite majority.

By order of the Board of Directors
For Bits Limited

Omprakash Ramashankar Pathak
Whole Time Director
Din: 01428320

Place: New Delhi
Date: 27.08.2015

Special Business:-

To consider and if thought fit, to give ASSENT/DISSENT to the following resolutions as:-

SPECIAL RESOLUTION UNDER SECTION 186 OF THE COMPANIES ACT 2013- AUTHORISATION FOR GIVING LOANS /GUARANTEES, PROVIDING SECURITIES AND MAKING INVESTMENTS IN SECURITIES:

"RESOLVED THAT pursuant to the provisions of Section 179 & 186 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification thereof for the time being in force and as may be enacted from time to time), subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, consent of the members of the Company be and is hereby accorded is deemed to have been accorded with effect from April 1, 2014 to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), to give loans to any subsidiary company, any other company, body corporate, any person and / or give any guarantee or provide security in connection with a loan to any subsidiary company(ies), any other company, body corporate, any person and / or acquire by way of subscription, purchase or otherwise, the

securities of any subsidiary company(ies) any other company, body corporate up to an aggregate amount not exceeding Rs. 200 crores (Two hundred crores) notwithstanding that the aggregate of the loans or guarantees or securities so far given or to be given and/ or securities so far acquired or to be acquired by the Company may collectively exceed the limits prescribed under the Companies Act 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of the Company be and is hereby authorized to take from time to time all decisions and such steps as may be necessary for giving loans, guarantees or providing securities or for making such investments and to execute such documents, deeds, writings, papers and/or agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion, deem fit, necessary or appropriate."

By order of the Board of Directors
For Bits Limited

Omprakash Ramashankar Pathak
Whole Time Director
Din: 01428320

Place: New Delhi
Date: 27.08.2015

NOTES

1. An explanatory statement pursuant to section 102 of the Companies Act, 2013, setting out the material facts and reasons for the proposed special resolution are annexed herewith below along with the form.
2. The Notice is being sent to all the Members, whose names appear in the Register of Members / list of Beneficial Owners as received from National Securities Depository Limited ("NSDL") / Central Depository Services (India) Limited ("CDSL") as on Friday, 21st August, 2015.
3. In compliance with the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Companies (Management and Administration) Rules, 2014, Notice of Postal Ballot is being sent by registered post or speed post / courier / electronically by email to those shareholders who have registered their email-id with the Company / Depositories along with Postal Ballot Form. Shareholders who wish to vote through Postal Ballot Form, and if not received such form, can also download the Postal Ballot Form from Company's website i.e. <http://www.bits.net.in/> or from the agency website i.e. <https://nsdl.co.in/>.
4. The voting rights for the Equity Shares are one vote per Equity Share, registered in the name of the Shareholders / Beneficial Owners.
5. Voting by Postal Ballot, in the physical form or remote e-voting, can be exercised only by the Shareholder or his / her duly constituted attorney or in case of bodies corporate, the duly authorized person. Voting rights in a Postal Ballot/ remote e-voting cannot be exercised by a Proxy.
6. Voting period commences on and from 09:00 a.m., Monday 31.08.2015 and ends at 5:00 p.m. on Tuesday, 29.09.2015.
7. The result of the voting on the Resolutions will be declared at the Registered Office of the Company on Thursday, 01.10.2015 at 11.00 A.M.
8. Kindly note that the Members can opt for only one mode of voting, i.e., either by Physical Postal Ballot or remote e-voting. If you are opting for remote e-voting, then do not vote by Physical Ballot also and vice versa. However, in case Members cast their vote by Physical Ballot and remote e-voting, then voting done through valid Physical Ballot shall prevail and voting done by remote e-voting will be treated as invalid.
9. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.

In case of any query in relation to the Resolutions proposed to be passed by Postal Ballot/remote e-voting may be sent to:
Email id: bitsltd@gmail.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 1

As per the provisions of Section 179 & 186 of the Companies Act, 2013, the Board of Directors of a Company can make any loan, investment or give guarantee or provide any security beyond the prescribed ceiling of i) Sixty per cent of the aggregate of the paid-up capital and free reserves and securities premium account or, ii) Hundred per cent of its free reserves and securities premium account, whichever is more, if special resolution is passed by the members of the Company.

As a measure of achieving greater financial flexibility and to enable optimal financing structure, this permission is sought pursuant to the provisions of Section 186 of the Companies Act, 2013 to give powers to the Board of Directors or any duly constituted committee thereof, for making further investment, providing loans or give guarantee or provide security in connection with loans to subsidiary companies any other company, body corporate, any person for an amount not exceeding Rs. ` 200 crore.

The investment(s), loan(s), guarantee(s) and security (ies), as the case may be, will be made in accordance with the applicable provisions of the Companies Act, 2013 and relevant rules made there under.

These investments are proposed to be made out of own/ surplus funds/internal accruals and or any other sources including borrowings, if necessary, to achieve long term strategic and business objectives. The Board accordingly recommends passing the Special resolution through postal ballot.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested, financially or otherwise in the said proposed Resolution.

By order of the Board of Directors
For Bits Limited

Omprakash Ramashankar Pathak
Whole Time Director
Din: 01428320

Place: New Delhi
Date: 27.08.2015



Bits Limited

CIN: L72200DL1992PLC241971

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

POSTAL BALLOT FORM

1. Name and Registered address of sole/first named shareholder
2. Name or name(s) of the joint holders(s) if any
3. Registered Folio No./DP ID No. along with Client ID No* (Applicable to investors holding shares in Dematerialized form)
4. No. of shares held

I/ We hereby exercise my/our votes in respect of the Special Resolution to be passed through Postal Ballot for the business stated in the Notice of the Company by conveying my/our assent or dissent to said Resolutions by placing tick mark (✓) in the appropriate box below:

Item No.	Description of Resolution	Type of Resolution	I/We assent to the Resolution(For)	I/We dissent to the Resolution(Against)
1.	Special Resolution under section 186 of the Companies Act, 2013 - Authorization for Giving Loans /Guarantees, Providing Securities And Making Investments In Securities	Special Resolution		

Place: New Delhi

Date: 27.08.2015

[(Signature of Shareholder(s))]

(As per specimen signature registered with Registrar and Share Transfer Agents)

ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	User ID	Password

Note: For e-voting, please refer the instructions under "Remote E-Voting"

INSTRUCTIONS FOR VOTING BY:

A. GENERAL INFORMATION

- a) There will be one Postal Ballot Form / e-voting for every Client ID No. / Folio No., irrespective of the number of joint holders.
- b) Members can opt for only one mode of voting i.e. either by Postal Ballot or through e-voting. In case you are opting for voting by Postal Ballot, then please do not cast your vote by e-voting and vice versa. In case Members cast their votes both by Postal Ballot and e-voting, the votes cast through e-voting shall prevail and the votes cast through postal ballot form shall be considered invalid.
- c) Voting rights in the Postal Ballot / e-voting cannot be exercised by a proxy

B. PHYSICAL POSTAL BALLOT FORM

1. A Shareholder desirous of exercising vote by physical Postal Ballot should complete the Postal Ballot Form in all respects and send it after signature to the Scrutinizer in the attached self-addressed envelope on which postage will be paid by the Company which shall be properly sealed with adhesive or adhesive tape. However, envelopes containing Postal Ballot Form, if sent by courier, at the expense of the Member will also be accepted. Members are requested to convey their assent or dissent in this Postal Ballot Form only. The assent or dissent received in any other form or manner shall be considered as invalid.
2. The self-addressed envelope bears the name of the Scrutinizer appointed by the Board of Directors of the Company and the address to which the same needs to be dispatched.
3. The Postal Ballot Form should be signed by the Shareholder as per specimen signature registered with the Registrar / Depository. In case the Equity Shares are jointly held, this Form should be completed and signed (as per specimen signature registered with Registrar / Depository) by the first named Member and in his / her absence, by the next named Member. Holders of Power of Attorney (POA) on behalf of the Members may vote on the Postal Ballot mentioning the registration number of the POA or enclosing an attested copy of the POA. Unsigned Postal Ballot Forms will be rejected.
4. Duly completed Postal Ballot Form should reach the Scrutinizer not later than 5:00 p.m. on Tuesday, September 29, 2015. Postal Ballot Form received after that date will be strictly treated as if reply from such Member has not been received. The Members are requested to send the duly completed Postal Ballot Form well before the last date providing sufficient time for the postal transit.
5. In case of Equity Shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified copy of Board Resolution /authority and preferably with attested specimen signature(s) of the duly authorized signatories giving requisite authorities to the person voting on the Postal Ballot Form.
6. Shareholders are requested not to send any paper (other than the Resolution /authority as mentioned under instruction above) along with the Postal Ballot Form in the enclosed self- addressed postage pre-paid envelope as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope, the same would not be considered and would be destroyed by the Scrutinizer.
7. The votes should be cast either in favour of or against by putting the tick (✓) mark in the column provided for assent or dissent. Postal Ballot Form bearing (✓) in both the columns will render the Form invalid.
8. Incomplete, unsigned or improperly or incorrectly filled Postal Ballot Form shall be rejected.

C. SHAREHOLDERS' INSTRUCTIONS FOR REMOTE E-VOTING

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

(B) In case of Members receiving Postal Ballot Form by Post:

- (i) User ID and initial password is provided at the bottom of the Postal Ballot Form.
 - (ii) Please follow all steps from Sr. No. IA (b) to (j) above, to cast your vote.
- (c) If you are already registered with NSDL for e-voting then you can use your existing user ID and password for Login to cast your vote.
- (D) In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of NSDL's E-Voting website: www.evoting.nsd.com. You can also send your queries/ grievances relating to e-voting to the e-mail ID: bitsltd@gmail.com.
- (E) The period for e-voting starts on Monday, 31st August, 2015 and ends on Tuesday, 29th September, 2015 at 05.00 P.M. During this period shareholders of the company holding shares either in physical form or in dematerialized form, as on the cutoff date (record date) of 21st August, 2015, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.