

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2018.

1. COMPANY'S PHILOSOPHY

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.

GOVERNANCE STRUCTURE

The Corporate Governance structure of the Company is as follows:

- a) Board of Directors: The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company.
- b) Committees of the Board: The Board has constituted the following Committees i.e. Audit Committee, Nomination & Remuneration Committee, Stakeholder's Relationship Committee & Risk Management Committee*. Each of the Committee has been mandated to operate within a given framework.

* Board of Directors in their meeting held on 11th July, 2017 have dissolved Risk Management Committee.

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

2. BOARD OF DIRECTORS:

Size & Composition of the Board

As on 31st March, 2018, the Board of the Company consists of 4 directors out of which 2 are Non-Executive Independent Directors, 1 is Executive Director and 1 is Non- Executive Non-Independent Director and the Chairman of the Board is Non-Executive Non-Independent Director.

The details of each member of the Board along with the number of Directorship/Chairmanship/Committee Membership as on 31st March, 2018, are as follows:

Name	Category	Designation	No. of Board Meetings Held during the year 2017 – 2018	No. of Board Meetings Attended during the year 2017 - 2018	Number of Directorship in other Companies	Attendance of each Director At last AGM	No. of other Board Committee(s) of which he is a member (% , @)	No. of other Board Committee (s) of which he is a Chairman (% , @)
Mr. Ankit Rathi	Chairman Promoter/ Non-Executive Director	Director	7	7	7	Yes	6	1
Mr. Omprakash Ramashankar Pathak	Promoter/ Executive Director	Managing Director	7	7	7	Yes	1	1
Mr. Harish Kumar Chauhan	Independent/ Non-Executive Director	Director	7	7	4	Yes	5	4
Mrs. Preeti Sharma	Independent/ Non-Executive Director	Director	7	7	3	Yes	3	0

% Excluding membership and chairmanship of committees of all private limited companies, foreign Companies and Companies under section 8 of the Companies Act, 2013.

@ Committee position only of the Audit Committee and Stakeholder's Relationship Committee in Public Companies (whether listed or not) have been considered. This does not include Membership/ Chairmanship in Committee of Directors of Bits Limited.

Membership/Chairmanship of the Directors in various Committees is within the permissible limits.

None of independent directors serving more than 7 listed companies.

There is no relationship between directors of the company. Further, non - executive directors does not have any shareholding in the company.

Independent Directors

The Non-Executive Independent Directors of our Company fulfill the conditions of Independence as specified in Section 149(6) of Companies Act, 2013 and rules made there under and meet the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A formal letter of appointment was issued to the Independent Directors of the Company in the manner as provided under Companies Act, 2013 and disclosed on the website of the Company (<http://www.bits.net.in/docs.html>).

Further, the details regarding programmes for familiarization of Independent Directors with the company, their roles and responsibilities in the company, business model of the company and other related matters are put on the website of the Company at the link i.e. http://www.bits.net.in/familiarisation_policy.pdf which is also explained in the Director's Report.

Details of Board Meetings

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company.

The notice of each Board Meeting is given in writing to each Director. The Agenda along with the relevant notes and other material information are sent in advance separately to each director.

During the Financial Year 2017-2018 (7) Seven Board Meetings were held i.e. 07/05/2017, 29/05/2017, 11/07/2017, 26/08/2017, 09/12/2017, 12/02/2018 and 26/03/2018. The intervening period between two meetings was well within the maximum period mentioned under Section 173 of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), 2015.

COMMITTEES OF THE BOARD

The Board of Directors has constituted the board Committees to deal with specific areas and activities which concern the Company and need a closer view.

The Board has currently the following Committees:

(3) AUDIT COMMITTEE

The Audit Committee of the Board comprises of three members out of which two are Non-executive Independent Directors and one is Executive Director, namely Mr. Harish Kumar Chauhan, Non-Executive/Independent Director, is the Chairman of the committee. The other members of Audit Committee include Ms. Preeti Sharma, Non-Executive/Independent Director and Mr. Omprakash Pathak, Executive Director. All the members of the committee are well versed in finance matters, accounts and general business practice.

The composition, quorum, powers, role and scope are in accordance with Section 177 of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Meetings:

The Audit Committee met 5 times during the year on 29/05/2017, 26/08/2017, 09/12/2017, 12/02/2018 and 26/03/2018. The attendance of Members at the Meetings was as follows:

S. No.	Name of Member	Status	No. of meetings during the year	No. of Meetings Attended
1	Mr. Harish Kumar Chauhan	Chairman	5	5
2	Mrs. Preeti Sharma	Member	5	5
3	Mr. Omprakash Ramashankar Pathak	Member	5	5

Terms of Reference:

POWER OF AUDIT COMMITTEE

The Audit Committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.

3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

ROLE OF AUDIT COMMITTEE

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

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - (b) Changes, if any, in accounting policies and practices and reasons for the same.
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - (d) Significant adjustments made in the financial statements arising out of audit findings.
 - (e) Compliance with listing and other legal requirements relating to financial statements.
 - (f) Disclosure of any related party transactions.
 - (g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

RELATED PARTY TRANSACTION

There is no transaction of materially significant nature with related party that may have potential conflict with the interest of the Company at large. The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company (http://www.bits.net.in/Bits%20Limited_RPT%20Policy.pdf). The same has been referred in Directors Report also.

(4) NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee of the Board comprises of three members namely Mr. Harish Kumar Chauhan, Non-Executive Independent Director, is the Chairman of the committee. The other member of Nomination & Remuneration Committee includes Ms. Preeti Sharma, Non-Executive Independent Director and Mr. Ankit Rathi, Non-Executive Non-Independent Director.

The composition, quorum, powers, role and scope are in accordance with Section 178 of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

MEETINGS OF NOMINATION AND REMUNERATION COMMITTEE:

During the Financial Year 2017- 2018 the Committee met Once i.e. on 05/05/2017. The attendance of Members at the Meeting was as follows:

S. No.	Name of the Member	Status	No. of meetings during the year	No. of Meetings Attended
1	Mr. Harish Kumar Chauhan	Chairman	1	1
2	Mrs. Preeti Sharma	Member	1	1
3	Mr. Ankit Rathi	Member	1	1

TERMS OF REFERENCE

The role of Nomination and Remuneration Committee includes the following

- 1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- 2) Formulation of criteria for evaluation of Independent Directors and the Board;
- 3) Devising a policy on Board diversity;
- 4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- 5) Extension or continuation of the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment.

(5) REMUNERATION POLICY

The Remuneration Policy of the Company for Directors, Key Managerial Personnel and Senior Management is annexed as Annexure C to the Director's Report. The Company's remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in accordance with the existing industry practice.

Further, the evaluation of all the directors and the Board as a whole and that of its committee was conducted based on the criteria and framework adopted by the Board, which was explained in the Director's Report.

Remuneration paid to the Directors during the financial year 2017-2018:

Name of the Director	Salary	Perquisites and allowances	Retiral benefits	Bonuses	Performance Linked Incentive	Total	Stock Options granted
Mr. Omprakash Ramashankar Pathak	5,50,000 per annum	Nil	Nil	23,100	Nil	5,73,100	Nil

The remuneration of Executive director is fixed with no performance linked incentives.

Further, Company does not make any payment to Non-Executive Directors except Sitting Fees.

The tenure of the office of the Managing Director is for 3 years i.e. w.e.f. 07th May, 2017 to 6th May, 2020 and tenure of Independent Director is for 5 years from the date of conclusion of 22nd Annual General Meeting i.e. 30th September, 2014 and can be terminated by either party by giving one-month advance notice in writing. There is no separate provision for payment of severance fees.

Further, there was no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the company and Non-Executive Directors does not hold any shareholding in the Company.

(6) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Board comprises of two members. Mr. Ankit Rathi, Non-Executive Non-Independent Director, is the Chairman of the committee. The other member of Stakeholders Relationship Committee includes Mr. Harish Kumar Chauhan, Non-Executive Independent Director.

The composition, quorum, powers, role and scope are in accordance with Section 178 of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

MEETINGS OF STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Committee met 4 times during the year on 27/05/2017, 24/08/2017, 04/12/2017 and 09/02/2018. The attendance of Members at the Meeting was as follows:

S. No.	Name of the Member	Status	No. of meetings during the year	No. of Meetings Attended
1	Mr. Ankit Rathi	Chairman	4	4
2	Mr. Harish Kumar Chauhan	Member	4	4

The stakeholder relationship committee is entrusted with responsibility to resolve the grievances of the Security holders of the Company. The Committee monitors and reviews the performance and service standards of the Registrar and Transfer Agents of the Company i.e. Mas Services Limited and provides continuous guidance to improve the service levels for investors. The Committee received and redresses the complaints of the shareholders in respect of matters pertaining to transfer of shares, non-receipt of declared dividend, non-receipt of Annual Report, dematerialization of shares, etc.

Investor Grievance Redressal

The numbers of complaints received and resolved to the satisfaction of investors during the year under review are as follows:

	Received	Resolved	Balance
Complaints during the year	1	1	Nil

As on March 31st, 2018 no complaints were outstanding.

Compliance officer

The Board has designated Mr. Surendra Singh Tangar, Company Secretary as Compliance Officer of the Company w.e.f. 13/08/2018. The Compliance Officer of the Company is responsible for complying with requirements of Securities Laws and Listing Agreements/ SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with Stock Exchanges.

Further, Ms. Sonam Gupta has resigned from the post of Company Secretary & Compliance Officer w.e.f. 15th May, 2018.

- INDEPENDENT DIRECTOR'S MEETING

During the year under review, the Independent Directors met on 05th August, 2017 inter alia, to discuss:

- Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole.
- Evaluation of performance of the Chairman of the Company, taking into account the views of Executive & Non-Executive Directors.
- Evaluation of quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

(7) RISK MANAGEMENT COMMITTEE

The Risk Management Committee of the Board comprises of two members. Mr. Omprakash Ramashankar Pathak, Executive Director, is the Chairman of the committee. The other member of Risk Management Committee includes Mr. Ankit Rathi, Non-Executive Non-Independent Director.

The composition, quorum, powers, role and scope are in accordance with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

MEETINGS OF RISK MANAGEMENT COMMITTEE:

During the Financial Year 2017- 2018 the Committee met once i.e. on 28/06/2017. The attendance of Members at the Meeting was as follows:

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S. No.	Name of the Member	Status	No. of meetings during the year	No. of Meetings Attended
1	Mr. Omprakash Ramashankar Pathak	Chairman	1	1
2	Mr. Ankit Rathi	Member	1	1

The risk management framework defines the risk management approach of the Company and includes periodic review of such risks and also documentation, mitigating controls and reporting mechanism of all risks.

The Risk Management Committee lays down the procedures to inform Board members about the risk assessment and minimization procedures. Risk Management Committee is also responsible for monitoring and reviewing risk management plan of the Company. Constitution of Risk Management Committee is applicable on the top 100 listed entities, determined on the basis of market capitalization, as at the end of the immediate previous financial year. Our Company does not fall in the above limit of top 100 companies, thus the Board of Directors in their meeting held on 11th July, 2017 have dissolved Risk Management Committee w.e.f. 11th July, 2017.

(8) General Body Meetings

Details about Annual General Meetings held in last three years are as follows:

For the Year	Venue	Day, Date & Time	Special Resolution *
2014-15	Plot No. 122, Mahalaxmi Vihar, Karawal Nagar, Delhi-110094	Wednesday, 30 th September, 2015 at 11:00 A.M	Adoption of newly substituted Article of Association of Company as per Companies Act, 2013. (***)
2015-16	Plot No. 122, Mahalaxmi Vihar, Karawal Nagar, Delhi-110094	Friday, 30 th September, 2016 at 11:00 A.M.	1. Re-appointment of Shri Omprakash Ramashankar Pathak (DIN: 01428320) as Whole Time Director of the Company, for a period of 3 (three) years. (***) 2. To approve the material Related Party Transaction. (***)
2016-17	Plot No. 122, Mahalaxmi Vihar, Karawal Nagar, Delhi-110094	Thursday, 28 th September, 2017 at 11:00 A.M.	1. Change in designation and subsequent appointment of Mr. Omprakash Ramashankar Pathak (DIN: - 01428320) as Managing Director of the Company for a period of 3 (three) years***

*** Special Resolution was passed through E-Voting & physical voting i.e. by ballot form at Annual General Meeting.

POSTAL BALLOT

During the previous financial year 2016-2017, the company has not passed any special resolution through postal ballot.

Further, during the financial year 2017-2018, Company has approached the shareholders through postal ballot in September, 2017. A snapshot of the voting results of the postal ballot is as follows: -

Particular of the Resolution	Type of Resolution	No. of Votes Polled	Votes Cast in Favour		Votes Cast Against	
			No. of Votes	%	No. of Votes	%
To Amend Memorandum of Association of the Company to align it with the Companies Act, 2013.	Special Resolution	72849864	72849834	99.99	30	.00004

Particular of the Resolution	Type of Resolution	No. of Votes Polled	Votes Cast in Favour		Votes Cast Against	
			No. of Votes	%	No. of Votes	%
To Alter Object Clause of the Memorandum of Association of the Company.	Special Resolution	72849864	72848735	99.99	1129	.0015

The Company successfully completed the process of obtaining approval of its shareholders for special resolutions on the items declared above through a postal ballot.

Ms. Pritika Nagi, being the proprietor of M/s Pritika Nagi & Associates, Practicing Company Secretary (ACS 29544 & CP No. 11279) were appointed as Scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

Procedure for Postal Ballot

In compliance with section 108 and 110 and other applicable provisions of the Companies Act, 2013 read with related Rules, the Company provides electronic – voting (e-voting) facility to all its members. The Company engage the services of NSDL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or through e-voting.

The Company dispatched the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appears on the register of members as on cut-off date. The postal ballot notice is sent to members through permissible mode. The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable rules.

Voting rights are reckoned on the paid-up value of the shares registered in the name of the members as on cut-off date. Members desirous to exercise their vote by physical postal ballot forms are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Members desirous to exercise their vote by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submits his report to the Chairman, after the completion of the scrutiny and the consolidated results of the voting by postal ballot are then announced by the Chairman/Whole Time Director. The Results are communicated to the stock exchanges.

Details of special resolution proposed to be conducted through postal ballot:

No special resolution is proposed to be conducted through postal ballot

(9) DISCLOSURES

1. Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large.
During the period under review, the company had not entered into any material transactions which were in conflict with the company's interest. All the related party transactions are on arm's length basis and are intended to further the company's interest.
2. Details of non-compliance by the company, penalties and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
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. Whistle Blower policy and affirmation that no personnel have been denied access to the audit committee.
Company has a Whistle Blower Policy for Directors & employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and directors who use such mechanism and makes provision for direct access to the Chairperson of Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.
4. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements
The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As regard the non-mandatory requirements, Company tries to implement them to the extent possible.
5. Web link where policy for determining 'material' subsidiaries is disclosed;
There is no subsidiary of company, so no policy for determining material subsidiary is required to be disclosed on the web-site of the company.
6. Disclosure of commodity price risks and commodity hedging activities
Not Applicable
7. Company has complied with the corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
8. Company try to adopt the discretionary requirements as specified in Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

General

A certificate duly signed by the Chief Financial Officer and Managing Director relating to financial statements and internal controls and internal control systems for financial reporting as per the format provided in Part B of Schedule II of SEBI (List-

ing Obligations Disclosure Requirement) Regulations, 2015 was placed before the Board, who took the same on record

1. Profile and other information regarding the Directors being appointed/re-appointed as required under Regulations 36(3) of SEBI (Listing Obligations Disclosure Requirement) Regulations, 2015 have been given in the Notice of the Annual General Meeting annexed to this Annual Report.
2. The Company follows a formal management policy and system of legal compliance and reporting to facilitate periodical review by the Board of compliance status of laws applicable to the company and steps taken to rectify non-compliance, if any.
3. The Company's senior management has confirmed to the Board of Directors that they do not have any personal interest related to its material, financial and commercial transactions that may have a potential conflict with the interests of the Company at large.
4. Declarations by the Managing Director regarding compliance by board members and senior management personnel with the company's code of conduct
Mr. Omprakash Ramashankar Pathak, Managing Director has furnished the requisite declaration affirming compliance with the Code of Conduct by the board members and senior management personnel, for the financial year ended March 31st, 2018, which is attached with the report.
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 2017-18.
7. Certificate from the Auditor regarding compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 is attached as Annexure E of the Director's Report.

(10) MEANS OF COMMUNICATION

Quarterly Results

Financial Express (English Daily) and Jansatta (Hindi Daily)	For Quarter ended 30.06.2017
Financial Express (English Daily) and Jansatta (Hindi Daily)	For Quarter ended 30.09.2017
Financial Express (English Daily) and Jansatta (Hindi Daily)	For Quarter ended 31.12.2017
Financial Express (English Daily) and Jansatta (Hindi Daily)	For Quarter ended 31.03.2018

Financial Results also displayed on the website of the company i.e. www.bits.net.in.

As a matter of policy, the company will display the official news release at its website, whenever applicable. There were no instances during the year, which requires the company to make any presentation before institutional investor or to the analyst.

(11) SHAREHOLDERS' GENERAL INFORMATION

(1) Annual General Meeting

Day, Date and Time: Friday, 28th September, 2018 at 11:00 A.M.

Venue: Plot No. 122, Mahalaxmi Vihar, Karawal Nagar, Delhi- 110094.

(2) Financial Calendar (Tentative) for the Financial Year 2018 – 2019

Tentative calendar of events for the financial year 2018 – 2019 (April to March) is as under:

Adoption of Quarterly Financial Results for:

First Quarter on or before 14 th August, 2018	Third Quarter on or before 14 th February, 2019
Second Quarter on or before 14 th November, 2018	Fourth Quarter on or before 30 th May, 2019

(3) Book Closure

The Register of Members and Share Transfer Register will remain closed from 23.09.2018 to 28.09.2018 (Both days inclusive) on account of Annual General Meeting.

(4) Dividend Payment Date

No dividend has been recommended for the year ended 31st March, 2018.

(5) Listing at Stock Exchanges

Sr. No.	Name of Stock Exchange	Stock Code
1.	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001	526709

Listing Fee for the year 2018-19 has been paid to BSE Limited.

(6) Stock Code -- ISIN – INE839A01021

Market Price Data: High Low for the period April 2017 to March 2018

Month	High (Rs.)	Low (Rs.)
April 2017	0.31	0.27
May 2017	0.27	0.22
June 2017	0.21	0.19
July 2017	0.21	0.19
August 2017	0.20	0.19
September 2017	0.20	0.20
October 2017	0.20	0.20
November 2017	0.20	0.20
December 2017	0.20	0.20
January 2018	0.20	0.20
February 2018	0.20	0.20
March 2018	0.20	0.20

Source: BSE Portal

(7) Securities are suspended from trading –

Your Company has been suspected as 'Shell Company' by the SEBI, due to which equity shares of the company has been permitted for restricted trading once a month only.

Reason for restriction on trading has also been specified in the Directors' Report.

(8) Registrar & Share Transfer Agents:

Pursuant to the SEBI directive, the Company has appointed M/s Mas Services Limited as Share Transfer Agent for maintaining all the work related to share registry in terms of both physical and electronic form. Shareholders can communicate with them for lodgment of transfer deeds and their queries at the following address:

M/s Mas Services Ltd.

T-34, 2nd Floor, Okhla Industrial Area,

Phase-II, New Delhi-110020

Phone No.: 011-26387281/82/83,

Fax No.: 011-26387384

Email ID: info@masserv.com

Contact Person: Sharwan Mangla

(9) 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 Mas Services Limited at the above address in order to enable the Registrar and transfer agent to process the transfer.

The committee normally attends to share transfer formalities once in a fortnight. De-mat requests are normally confirmed within 21 days from the date of receipt of request. The company obtains from a Company Secretary in Practice half yearly Certificate of Compliance with the share transfer formalities as required under regulation 40(9) of SEBI (Listing Obligation and Disclosure

Requirements) Regulations, 2015 and files a copy of the said certificate with Stock Exchange.

The Securities and Exchange Board of India (SEBI) vide its notification no SEBI/LAD-NRO/GN/2018/24 dated 08th June, 2018 mandated that, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. W.e.f. 05.12.2018 it shall be mandatory to demat the securities for getting the shares transferred. Members holding shares in physical form are, therefore, requested to convert their holding in Demat form before 05.12.2018

(10) Shareholding Pattern as on 31st March, 2018.

Category	No. of Shares held	% of Shareholding
A. PROMOTERS		
Promoter and Promoter Group	72799186	65.07
B. PUBLIC		
Individuals holding nominal share capital up to 2 lac	33333636	29.8
Individuals holding nominal share capital in excess of 2 lac	3316566	2.96
Financial Institutions/Banks	47000	0.04
Mutual Funds/UTI	30500	0.03
NBFCs registered with RBI	0000	0.00
OTHERS	2348112	2.1
Total	111875000	100

(11) Distribution of Shareholding as on 31st March, 2018

Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1-5000	13957	83.615	11896729	10.634
5001-10000	1493	8.944	6221383	5.561
10001-20000	714	4.277	5822592	5.205
20001-30000	240	1.438	3024538	2.703
30001-40000	95	0.569	1763975	1.577
40001-50000	51	0.306	1210623	1.082
50001-100000	88	0.527	3115987	2.785
100001 & above	54	0.324	78819173	70.453
Total	16692	100	111875000	100

(12) Dematerialization of shares:

Pursuant to the SEBI directive, to enable the shareholders to hold their shares in electronic form, the Company has already enlisted its shares with Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Limited. Company (NSDL). Company has been allotted ISIN No. INE839A01021. As at 31.03.2018, 10914580 Equity Shares were held in demat form in CDSL and 91381070 shares were held in demat form in NSDL.

(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.

(14) Commodity price risk or foreign exchange risk and hedging activities

Not Applicable

(15) Plant Location

The Company does not carry any manufacturing activity.

(16) Address for correspondence:

Bits Limited (Regd. Office)
711, 7th Floor, New Delhi House,
27, Barakhamba Road,
New Delhi-110001
Corporate Office
23, Great Western Building, 1stFloor,
130/132, Apollo Street, SBS Road,
Fort, Mumbai - 400023.

To

The Members of Bits Limited

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

In Compliance with Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Omprakash Ramashankar Pathak, Managing Director of the Company, hereby declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct formulated by the Company for the financial year ended March 31st, 2018 and there is no non-compliance thereof during the period under review.

By Order of the Board of Directors

For Bits Limited

Sd/-

Omprakash Ramashankar Pathak

(Managing Director)

DIN: - 01428320

Address: 503, 5TH Floor, Trimurti

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

Date: 27.08.2018

Place: New Delhi