



Annual Report 1997-98

BELLS CONTROLS LIMITED

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BELLS CONTROLS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Sixty-eighth Annual General Meeting of Bells Controls Limited will be held at Gyan Manch Education Society, 11 Pretoria Street, Calcutta - 700 071, on Wednesday, the 9th September, 1998 at 11.00 a.m. to transact the following business:

1. To receive and adopt the Profit and Loss Account for the year ended 31st March, 1998 and the Balance Sheet as at that date together with the Reports of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a director in place of Mr. Adarsh Jalan who retires by rotation but being eligible offers himself for re-appointment.
4. To appoint a director in place of Dr. R. Srinivasan who retires by rotation but being eligible offers himself for re-appointment.
5. To appoint Auditors and to authorise the Board of Directors of the Company to fix their remuneration.

SPECIAL BUSINESS :

To consider and, if thought fit, to pass, with or without modifications, the following Resolutions :

6. As an Ordinary Resolution :

"RESOLVED THAT pursuant to Section 372 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the prior approval of the Central Government wherever required, the Board of Directors of the Company be and is hereby authorised to invest a sum not exceeding Rs. 500 lacs by way of subscription, purchase or otherwise in equity shares in a new company to be promoted by the Company by the name "Bells Softech Limited" or by any other name, notwithstanding that the aforesaid investment together with the existing investments of the Company in all bodies corporate shall be in excess of any or all the percentages prescribed by the Government and/or as may be prescribed hereafter under the provisions of Section 372(2) of the Companies Act, 1956 and the provisos thereto and any other provisions of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to determine the actual sum to be invested and to decide all or any other matter arising out of or incidental to the proposed investment and to do all such acts and things as may be necessary to implement this Resolution."

7. As a Special Resolution :

"RESOLVED THAT subject to the provisions of the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force, and subject to such other approvals, permissions and sanctions as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board of Directors of the Company (hereinafter referred to as "the Board"), the consent of the Company be and is hereby accorded to the Board to buy-back such number of equity shares of the Company, as may be thought fit, from the existing holders of equity shares of the Company on a proportionate basis and/or from the open market and/or from the lots smaller than market lots, in such manner as may be permitted by the law, from out of its free reserves or out of the share premium account of the Company or out of the proceeds of any issue made by the Company specifically for the purpose or from such other sources as may be permitted by law, on such terms, conditions and in such manner as may be prescribed under the law, provided that the aggregate of the shares so bought shall not exceed 25% of the paid-up share capital of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts and things and to take all such steps as may be necessary with regard to the said buy-back of equity shares of the Company."

8. As a Special Resolution :

"RESOLVED THAT the Articles of Association of the Company be altered by inserting the following new Article 14B with marginal note, after the existing Article 14A of the Articles of Association :

"14B Notwithstanding anything contained in these Articles and subject to the provisions of the Depository Act, 1996, including any statutory modification or re-enactment thereof and rules framed thereunder for the time being in force and subject to other applicable provisions of law, the Company shall be entitled to dematerialise its shares or other securities and to offer the shares or other securities in a dematerialised form, as and when the said shares or other securities are admitted as an eligible security under the Depository System and to hold the said shares or other securities so dematerialised in fungible form."

Securities in
fungible form.

Registered Office :
Bells House
21 Camac Street
Calcutta 700 016
Dated : 31st July, 1998

By Order of the Board

P. K. Sarawagi
Secretary

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 1st September, 1998 to 9th September, 1998, both days inclusive.
3. The Dividend, if declared, will be payable to those Members whose names appear on the Register of Members of the Company on 9th September, 1998.
4. In accordance with Section 205A of the Companies Act, 1956, all unclaimed dividends upto the financial year ended 31st March, 1994 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed their dividend warrants for the said financial years, may claim the same from the Registrar of Companies, West Bengal, Nizam Palace, II M.S.O. Building, 234/4, Acharya J C Bose Road, Calcutta - 700 020.

EXPLANATORY STATEMENT**(Pursuant to Section 173(2) of the Companies Act, 1956)****Item No. 6**

It is proposed that a new company with the name of "Bells Softech Limited" or such other name as may be approved by the authorities be incorporated under the Companies Act, 1956 for developing and providing software and information technology services and other allied activities. The proposed paid up capital of the company is estimated in the range of Rs. 500 lacs and the Company will subscribe to the amount in one or more instalments.

Under Section 372 of the Companies Act, 1956, when investments are to be made in excess of the limits prescribed from time to time by the Central Government, it is necessary to obtain the prior approval of the Members and the Central Government in this regard; hence this resolution.

The Board of Directors recommends the resolution set out in item no. 6 of this notice for approval of the Members.

None of the Directors of the Company is interested or concerned in this resolution.

Item No. 7

The buy-back of its own shares by a company is presently not allowed under the Companies Act, 1956. However, it is anticipated that the law would be amended to allow such buy-back.

Subject to buy-back of shares being legally permissible, it is proposed to enable the Company to buy-back its own equity shares, not exceeding 25% of the paid up equity capital of the Company, from the Members of the Company on a proportionate basis and/or from the open market and/or from the holders of the odd lots, in such manner, as may be permitted under the law.

The buy-back of shares as aforesaid would be at such rate or rates not less than the market value of the shares and shall be met out of such sources as may be permitted by the law for the purpose. The shares so bought back shall be dealt with as per the then prevailing laws/regulations.

The resolution, if approved, would be operative and given effect to from the applicable date as may be prescribed in this regard.

The Board is of the opinion that it will be in the best interests of the Company if the Members approve the said resolution permitting such buy-back, so that the Company will be able to implement this resolution once the law is amended.

The Board of Directors recommends the resolution set out in item no. 7 of this notice for approval of the Members.

None of the Directors of the Company is interested or concerned in the resolution.

Item No. 8

The Depository System has been introduced with the setting up of National Securities Depository Limited. The Depository System of holding securities in an electronic form is far safer and more convenient method for holding and trading in the Company's shares. Considering the advantages offered by the system to the investors, it is felt that the Company should opt for fungible form and dematerialisation of the equity shares of the Company.

The existing Articles of Association of the Company do not contain any clause relating to fungible form of shares and securities, and therefore, it is proposed to alter the Articles of Association of the Company by inserting a new Article 14B after Article 14A, as set out in item no. 8 of this notice.

As per the provisions of Section 31 of the Companies Act, 1956, a company can alter its Articles of Association by special resolution. Accordingly, the Board of Directors recommends the resolution for approval of the Members.

A copy of the Articles of Association of the Company as referred to in the resolution will be available for inspection at the Registered Office of the Company between 9:30 a.m. to 11:30 a.m. on all working days upto the date of the Annual General Meeting.

None of the Directors of the Company is interested or concerned in this resolution.

BELLS CONTROLS LIMITED

Registered Office : Bells House, 21, Camac Street, Calcutta - 700 016

PROXY FORM

I/We

of

being a Member/Members of the above named Company hereby appoint

Sri/Smt./Kumari

of

or, failing him/her,

Sri/Smt./Kumari

of

as my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 9th September, 1998 at 11:00 A. M. and/or at any adjournment thereof.

Signed this

day of

1998

Please affix

30P. Revenue

Stamp

N.B. Any member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself on a poll only and the proxy need not be a member. This form duly completed should be deposited at the Registered Office of the Company not later than 48 hours before the meeting.



S. M. Datta

MD	✓	BKC	✓
CS	✓	DPY	NA
BO	✓	LEV	✓
ctor	✓	MC	✓
TRA	✓	SM	✓
AGM	✓		
VE	✓		

P. K. Sarawagi

Standard Chartered Bank

Lovelock & Lewes

Calcutta - 700 026

Calcutta - 700 016

Directors' Report

BELLS CONTROLS LIMITED

The Directors present the Sixty-eighth Annual Report together with the audited Statement of Accounts of the Company for the financial year ended 31st March, 1998.

FINANCIAL RESULTS

	Rs. in lacs	Previous Year Rs. in lacs
Profit before depreciation, interest and tax	504.36	772.79
Interest	298.47	214.98
Depreciation	137.98	122.89
Profit before tax	67.91	434.92
Provision for tax	5.00	115.00
Profit after tax	62.91	319.92
Balance brought forward from previous year	12.48	16.34
Transfer from General Reserve	55.00	—
Amount available for Appropriation	130.39	336.26
Appropriations :		
Proposed Dividend	112.94	180.71
Tax on Proposed Dividend	11.29	18.07
Transfer to General Reserve	—	125.00
Balance carried forward	6.16	12.48
	130.39	336.26

The results for the year under review were affected by severe recessionary conditions and the closing down of the Company's Distributed Control Systems business. The Company is giving a special thrust to Exports, Power Transmission and Fire Division and it is expected that there would be a significant improvement in the Company's performance in the current year.

DIVIDEND

The Directors recommend payment of dividend at the rate of 10% amounting to Rs. 112.94 lacs.

OPERATIONS

The year under review was a difficult year for the engineering industry which was faced with severe recessionary conditions due to general slow down in the Indian economy. The Company could not escape the adverse effects of the unfavourable economic environment in the country as a consequence of which its sales showed a decline which in turn resulted in a lower profit as compared with that of the previous year. The sales were also affected by the Company's decision to withdraw from Distributed Control Systems business due to intense competition in this line arising from the entry of new competitors, particularly foreign companies, in the wake of increased globalisation and opening up of the Indian economy. The Company has taken several steps for improving its operating efficiencies, effecting changes in product mix for achieving better margins, implementing a strict cost control and cost rationalisation programme and making optimum use of all available resources and it is expected that these measures will have a favourable impact on the operating results of the current year.

Exports

The export business of the Company is showing satisfactory progress. The execution of the export order from The Foxboro Company, USA, for convertors valued at US \$ 1.20 million was completed during the year under review and quality of international standards of the products and strict adherence to delivery schedules have earned appreciation of The Foxboro Company who have now decided to source from the Company a number of other process control products and instruments also. The Company has already received a repeat order for convertors and new orders for micro-processor based controllers, sub-assemblies of pneumatic instruments, control panels, marshalling racks and forgings and castings. As a part of a long term corporate objective of making the Company a global resource base for The Foxboro Company, the Company's manufacturing facilities at its factories at Calcutta and Mysore have been modernised and expanded by making further investment in machinery and equipment. The Company expects a substantial rise in its exports in the next few years and already has export orders of above Rs. 12 crores in hand.

Erection and Commissioning

The Company has made an impressive mark in the field of installation and commissioning of instrumentation