

PTL ENTERPRISES LIMITED

(Formerly Premier Tyres Limited)

46TH ANNUAL REPORT

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PTL ENTERPRISES LIMITED

(Formerly Premier Tyres Limited)

BOARD OF DIRECTORS

ONKAR S. KANWAR	:	CHAIRMAN
NEERAJ KANWAR		
K.JACOB THOMAS		
K.JOSE CYRIAC	:	KERALA GOVERNMENT NOMINEE
P.A.S. RAO		
T. BALAKRISHNAN	:	KERALA GOVERNMENT NOMINEE
U.S.OBEROI		
HARISH BAHADUR		

COMPANY SECRETARY

PRADEEP KUMAR

AUDITORS

H. N. MEHTA ASSOCIATES

REGISTERED OFFICE

6TH FLOOR, CHERUPUSHPAM BLDG.
SHANMUGHAM ROAD,
KOCHI – 682 031 (KERALA).
TEL. NOS. (0484) 2381902 - 3
FAX NO.: (0484) 2370351

BANKERS

BANK OF INDIA
ICICI BANK LTD

STATE BANK OF INDIA
YES BANK

WORKS

KALAMASSERY
ALWAYE,
KERALA – 683 104.

PTL ENTERPRISES LIMITED

Regd.Office: 6th Floor, Cherupushpam Building, Shanmugham Road, Kochi-682 031 (Kerala)

NOTICE

NOTICE is hereby given that the Forty Sixth Annual General Meeting of the Members of **PTL ENTERPRISES LTD.** will be held as under:-

DAY	:	Wednesday
DATE	:	25 th July, 2007
TIME	:	3.00 P.M
PLACE	:	Sowbagh, Bharat Hotel (BTH), Durbar Hall Road, Ernakulam, Kochi – 682 016.

to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2007 and the Report of the Directors and of the Auditors, thereon.
2. To appoint a Director in place of Mr. Neeraj Kanwar, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

“RESOLVED THAT M/s. H.N.Mehta Associates, Chartered Accountants, the retiring auditors, be and are hereby re-appointed as auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company for auditing the Accounts for the financial year 2007-2008 and the Board of Directors be and is hereby authorised to fix their remuneration plus travelling and out of pocket expenses for audit.”

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

“RESOLVED that Mr.U.S.Oberoi, who was appointed by the Board of Directors of the Company as an additional director w.e.f. 24th January, 2007 and who holds office as such upto the date of this Annual General Meeting and in respect of whom the Company has, as required by section 257 of the Companies Act, 1956, received a notice in writing from a member signifying his intention to propose his candidature

for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED that Mr. Harish Bahadur, who was appointed by the Board of Directors of the Company as an additional director w.e.f. 24th January, 2007 and who holds office as such upto the date of this Annual General Meeting and in respect of whom the Company has, as required by section 257 of the Companies Act, 1956, received a notice in writing from a member signifying his intention to propose his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

By order of the Board
For PTL Enterprises Ltd.



(PRADEEP KUMAR)
COMPANY SECRETARY

Place: Gurgaon
Dated: 30th April, 2007

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll instead of himself and the proxy need not be a member of the Company. The enclosed proxy form, if intended to be used, should reach the Registered Office of the Company duly completed not less than forty eight hours before the scheduled time of the Meeting.
2. The relative Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the Special Business set out above is annexed hereto.
3. The Register of Members and Share Transfer Books shall remain closed from 16th July, 2007 to 25th July, 2007 (both days inclusive) for the purpose of Annual General Meeting .
4. Equity shares of the Company have been splitted from the face value of Rs.100/- (Rupees Hundred) to the face value of Rs.10/- (Rupees Ten) each w.e.f. 3rd June, 2002. Members, who have not surrendered the share certificates, are requested to send the same for splitting.
5. The members holding shares in the dematerialised mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, change in name etc. to their Depository Participant (DP). These changes will be automatically reflected in Company's records which help the Company to provide efficient and better service to members.
6. Please bring your copy of the Annual Report to the Meeting.
7. All documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day prior to the date of the Meeting and also at the Meeting.

8. Members intending to require information about Accounts to be explained at the meeting are requested to write to the Company at least ten days in advance of the AGM.
9. Members holding shares in the same name(s) under different folios are requested to apply for consolidation of such folios by sending relevant share certificates.
10. The shares of the Company are under compulsory Demat list of SEBI w.e.f. 2nd January, 2002. The trading in equity shares can now be only in Demat Form. In case you have not demated your shares, you may do so by opening an account with a Depository Participant and complete dematerialization formalities.
11. Information under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking appointment/reappointment at the Annual General Meeting (Item No.2, 4 & 5) is given after the explanatory statement.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 4

Mr.U.S.Oberoi, has experience in marketing, commercial, projects and management affairs. He is a Whole Time Director of Apollo Tyres Ltd. Mr. Oberoi was appointed as an additional director of the Company w.e.f. 24th January, 2007 who was earlier a director and had resigned from the Board w.e.f. from 11th September 2006 . He holds office upto the date of the Annual General Meeting, pursuant to section 260 of the Companies Act, 1956. A notice under section 257 of the Companies Act, 1956, has been received from a member alongwith a deposit of Rs.500/- proposing the candidature of Mr.U.S.Oberoi as a Director of the Company.

The Board of Directors recommends resolution set out at item no. 4 for your consideration and approval.

None of the Directors of the Company except Mr.U.S.Oberoi himself is concerned or interested in the resolution.

Item No. 5

Mr.Harish Bahadur, has experience in Accounts, Commercial, Corporate Tax and Financial Management. He is Head (Accounts & Taxation) of Apollo Tyres Ltd. He was appointed by the Board as an additional director on the Board of your Company w.e.f. 24th January, 2007. He holds office upto the date of the Annual General Meeting, pursuant to section 260 of the Companies Act, 1956. A notice under section 257 of the Companies Act, 1956, has been received from a member alongwith a deposit of Rs.500/- proposing the candidature of Mr.Harish Bahadur as a Director of the Company.

The Board of Directors recommends resolution set out at item no. 5 for your consideration and approval.

None of the Directors of the Company except Mr.Harish Bahadur himself is concerned or interested in the resolution.

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

Item No. 2

Mr.Neeraj Kanwar, aged about 36 years, graduated from Lehigh University, Bethlehem PA, USA as a Bachelor of Science in Industrial Engineering with Specialization in Management Systems.

He did his Summer Training at Apollo Tyres Ltd., Kochi Plant in 1991. After a year's training at the plant, he was

recruited as a Management Trainee in American Express Bank New York, USA. In 1994, Mr. Neeraj joined the Investment Banking division of Global Finance Ltd. After a brief stint there he joined Apollo Finance Ltd. in Corporate Financing and leasing operations. He joined Apollo Tyres Ltd. as General Manager (Strategic Planning & Co-ordination) w.e.f. 26th April, 1997 and subsequently promoted as Chief (Mfg. & SPC). He joined the Board of the Company in the year 1999.

He is a Joint Managing Director of Apollo Tyres Ltd. and holds directorship on the Board of Dunlop Tyres International (Pty) Ltd., Travel Tracks Pvt Ltd., Landmark Farms & Housing Pvt Ltd., Apollo Automotive Tyres Ltd, Apollo Radial Tyres Ltd., Sunlife Trade Links Pvt Ltd., Apollo South Africa Holdings (Pty) Ltd.

He is also holding membership of Shareholders'/Investors' Transfer/Grievance Committee of Apollo Tyres Ltd.

He is not holding any shares in the Company.

Item No. 4

Mr. U.S. Oberoi, aged about 65 years is a Commerce Graduate. Mr. Oberoi has more than 43 years experience in marketing, commercial, projects and management affairs. He holds Directorship on the Board of Apollo Tyres Ltd., Travel Tracks (P) Ltd., Liberty India Trans Travel (P) Ltd., Apollo Radial Tyres Ltd., Apollo Automotives Tyres Ltd. and NSJ Properties Pvt. Ltd.

He is also member of Shareholders'/Investors' Transfer/Grievance Committee of Apollo Tyres Ltd.

He is not holding any shares of the Company.

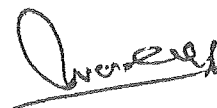
Item No. 5

Mr. Harish Bahadur, aged about 55 years is a Commerce Graduate. He is Head (Accounts & Taxation) of Apollo Tyres Ltd.

Mr. Harish Bahadur has more than 32 years experience in accounts, commercial, taxation and financial management. He holds Directorship on the Board of Apollo (Mauritius) Holdings Pvt. Ltd.

He is not holding any shares of the Company.

By order of the Board
For PTL Enterprises Ltd.



(PRADEEP KUMAR)
COMPANY SECRETARY

Place: Gurgaon

Dated: 30th April, 2007

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Annual Report and audited accounts of your Company for the financial year ended 31st March, 2007.

FINANCIAL RESULTS

Year Ended (Rs./lacs)

	31.03.2007	31.03.2006
Other income	1570.97	1117.68
Profit before depreciation	1063.24	1023.29
- Depreciation	16.74	18.86
Profit before tax	1046.50	1004.43
- Provision for Tax – Current	418.65	344.80
- Provision for Tax – Deferred	(2.10)	(3.48)
- Provision for Fringe Benefit Tax	0.88	0.44
Net Profit	629.07	662.67

OPERATIONS

During the year under review, gross income amounted to Rs.1570.97 lacs as against Rs.1117.68 lacs during the previous year. It includes lease rental of Rs.1500 lacs received from Apollo Tyres Ltd. (ATL), in accordance with the terms of the Lease Agreement executed with ATL. After providing for depreciation and current/deferred tax, the net profit amounted to Rs.629.07 lacs as against Rs.662.67 lacs in the previous year.

DIVIDEND

No dividend is being recommended by the Directors for the year under review in order to preserve resources for investment into healthcare business being undertaken by the Company through its subsidiary Companies.

SUBSIDIARY COMPANY

Your Directors decided to seek exemption under Section 212 of the Companies Act, 1956 from annexing annual reports of the subsidiary companies for the financial year ended 31st March, 2007. The Central Govt. vide its letter No.47/111/2007-CL-III dated 23rd March, 2007 has accorded its approval under Section 212 (8) of the Companies Act, 1956 from annexing the accounts of the above subsidiary companies. The information of the subsidiary companies is annexed with the consolidated accounts attached herewith.

The copy of the Annual Report of the subsidiary companies will be made available to the shareholders on request and will also be kept for inspection by any shareholder at the Registered Office and Corporate Office of PTL and its subsidiary companies.

EXPANSION PROGRAMME/FUTURE OUTLOOK

Your Company's growth plan in healthcare business through its subsidiary company, Artemis Health Sciences Pvt. Ltd. and other step subsidiaries is being built on four pillars of Healthcare Delivery, Healthcare Education, Healthcare Research & Delivery and Healthcare Medical Devices.

The Phase-I of multi specialty hospital at Gurgaon with an investment of around Rs.200 crore is at completion stage. The hospital will be operational in June, 2007.

The hospital will be equipped with the latest technology available anywhere in the world. Most of this equipment is in various stages of installation and testing.

COST AUDIT

Your Company is in the process of filing an application with the Central Govt. for availing exemption from the requirements of Cost Audit as your Company does not have its own production since the Plant has been leased out to Apollo Tyres Ltd.

AUDITORS' REPORT

The comments on the statement of accounts referred to in the Report of the Auditors are self explanatory.

BOARD OF DIRECTORS

During the year Mr.N.Sreekumar and Mr.P.N.Wahal ceased to be the Directors of the Company w.e.f. 11th September, 2006.

Mr.U.S.Oberoi was appointed as an additional director of the Company w.e.f. 24th January, 2007 who was earlier a director and had resigned from the Board w.e.f 11th September, 2006. He will hold office upto the date of the forthcoming Annual General Meeting.

Mr. Harish Bahadur was appointed as an additional director of the Company w.e.f. 24th January, 2007. He will hold office upto the date of the forthcoming Annual General Meeting.

Notices under Section 257 of the Companies Act, 1956 have been received from members proposing their appointments as Directors of the Company at the ensuing Annual General Meeting.

Mr.Neeraj Kanwar, Director will retire by rotation at the Annual General Meeting and being eligible, offers himself for re-appointment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As the plant was leased out to Apollo Tyres Ltd. during the financial year ended 31st March, 2007 and the Company is not carrying out any manufacturing activity of its own, no information is required to be furnished under Section 217 (1) (e) of the Companies Act, 1956.

REPORT ON CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement, a report on corporate governance is given in Annexure 'A' of this report.

HUMAN RESOURCES

The industrial relations continued to be cordial during the year. A long term settlement for three years was signed with the workers in February, 2007. There are no employees during the year drawing remuneration specified under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975. As such, no particulars are required to be furnished.

DIRECTORS' RESPONSIBILITY STATEMENT

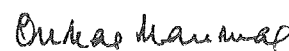
Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company confirm that: -

- i) in preparation of the Annual Accounts for the year ended 31st March, 2007, the applicable accounting standards have been followed and there has been no material departure;
- ii) the selected accounting policies were applied consistently and the Directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2007 and of the profit of the Company for the year ended as on date;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the Annual Accounts have been prepared on a 'going concern' basis.

ACKNOWLEDGEMENT

Your Directors are thankful for the co-operation extended by Government of Kerala and Haryana, bankers and the employees for their continued support to your Company.

For and on behalf of the Board of Directors



(ONKAR S. KANWAR)
CHAIRMAN

Place: Gurgaon

Dated: 30th April, 2007

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on Corporate Governance

The Company is following corporate governance practices in true spirit with a view to enhance shareholders' value.

Your Company is complying in all material respects with the requirements of Corporate Governance stipulated in Clause 49 of the listing agreement. Requirements of Stock Exchanges and practice followed by the Company alongwith status of compliance made under Corporate Governance are given hereafter.

2. Board of Directors

a) Composition of Board:

The Board of the Company comprises of eight eminent Directors to give a new direction to the Company. Out of the eight Non Executive Directors, four Directors are Independent Directors, which include two nominees of Government of Kerala. All Directors have varied experience in the areas of finance, law, business and industry etc.

Name/Designation of Director	Category	No. of positions held in other companies		No. of Board Meetings attended	Attendance at last AGM
		Board #	Committee ##		
Mr. Onkar S. Kanwar Chairman	Non-Executive	8	0	3	Yes
Mr. K. Jacob Thomas	Non-Executive Independent	3	2	4	Yes
Mr. K Jose Cyriac Nominee Director – Govt of Kerala (Equity Investor)	Non-Executive Independent	3	0	2	No
Mr. Neeraj Kanwar	Non-Executive	3	1	4	Yes
Mr. P.A.S. Rao	Non-Executive Independent	2	1	4	No
Mr. U.S. Oberoi*	Non-Executive	3	1	3	Yes
Mr. T. Balakrishnan Nominee Director – Govt. of Kerala (Equity Investor)	Non-Executive Independent	14	0	2	No
Mr. Harish Bahadur*	Non-Executive	0	0	1	N.A.
Ceased to be Director					
Mr. N. Sreekumar**	Non-Executive	0	0	0	Yes
Mr. P.N. Wahal**	Non-Executive	4	0	2	Yes

- # This includes Directorships held in Public Limited Companies and subsidiaries of Public Limited Companies and excludes Directorships held in Private Limited Companies and overseas Companies.
- ## For the purpose of Committees of Board of Directors only Audit and Shareholders' Grievance Committee in other Public Ltd. Companies and subsidiaries of Public Ltd. Companies are considered.
- @ Mr.U.S.Oberoi ceased to be Director w.e.f. 11th September, 2006 and he was re-appointed as an Additional Director on the Board of the Company w.e.f. 24th January, 2007.
- * Mr.Harish Bahadur was appointed as an Additional Director on the Board of the Company w.e.f. 24th January, 2007.
- ** Mr.N.Sreekumar and Mr.P.N.Wahal ceased to be Director w.e.f. 11th September, 2006.

b) Number and dates on which the meetings of Board of Directors were held

During the year, four Board Meetings were held on the following dates:-

4th May, 2006
 19th July, 2006
 12th October, 2006
 24th January, 2007

The required information was suitably placed before the Board to the extent possible at the Board Meetings.

3. Audit Committee

a) Constitution of Committee

In accordance with Clause 49 of the Listing Agreement and as a matter of good corporate Governance, the Company has an Audit Committee to provide assistance to the Board of Directors to look into the matters relating to the internal controls and audit procedures being followed by the Company. The Committee comprises of the following three Non-Executive Directors:

Name of Director	Designation	No. of meetings attended
Mr.K. Jacob Thomas	Chairman	4
Mr. Neeraj Kanwar (co-opted as Member w.e.f. 12 th October, 2006)	Member	1
Mr. P.A.S. Rao	Member	4
Mr.P.N. Wahal (ceased to be a Member w.e.f. 11 th September, 2006)	Member	2

b) Meetings

During the year, Audit Committee met 4 times since 01.04.2006 on the following dates :-

4th May, 2006
 19th July, 2006
 12th October, 2006
 24th January, 2007

c) Name of the Secretary

Mr.Pradeep Kumar, Company Secretary, acts as Secretary of the Committee.

d) Terms of Reference

The terms of reference of the Audit Committee include the following:-

- (i) Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (ii) To hold periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control system. scope of audit and observations of the Auditors/Internal Auditors;
- (iii) Recommend the appointment/removal of external auditors, nature and scope of audit, fixation of audit fee and payment for any other services to external auditors;
- (iv) To review compliance with internal control systems;
- (v) To review the quarterly, half yearly and annual financial results of the Company before submission to the Board;
- (vi) Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large;
- (vii) To make recommendations to the Board on any matter relating to the financial management of the Company, including the Audit Report;
- (viii) To investigate into any matter in relation to items specified in section 292A of the Companies Act, 1956 or as may be referred to it by the Board and for this purpose to seek any relevant information contained in the records of the Company and also seek external professional advice, if necessary.

4. **Payment of remuneration/sitting fee to Directors ***

Remuneration/sitting fee paid to Directors during the financial year 2006-07, is given below:

Name of Director	Sitting Fee (Rs./Lacs)	No. of Shares held as on 31.03.07	Stock Option, if any
Mr.Onkar S. Kanwar	0.30	500	N.A.
Mr.K. Jacob Thomas	0.80	1500	N.A.
Mr. K. Jose Cyriac *	0.20	-	N.A.
Mr.Neeraj Kanwar	0.50	-	N.A.
Mr.N. Sreekumar**	0.00	-	N.A.
Mr. P.A.S. Rao	0.80	-	N.A.
Mr.P.N. Wahal**	0.40	-	N.A.
Mr.U.S. Oberoi	0.30	-	N.A.
Mr. T. Balakrishnan*	0.20	-	N.A.
Mr. Harish Bahadur	0.10	-	N.A.

* Sitting fee payable to Government of Kerala.

** Mr. N. Sreekumar and Mr. P.N. Wahal ceased to be Director w.e.f. 11th September, 2006.

c) Name of the Secretary

Mr.Pradeep Kumar, Company Secretary, acts as Secretary of the Committee.

d) Terms of Reference

The terms of reference of the Audit Committee include the following:-

- (i) Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (ii) To hold periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control system. scope of audit and observations of the Auditors/Internal Auditors;
- (iii) Recommend the appointment/removal of external auditors, nature and scope of audit, fixation of audit fee and payment for any other services to external auditors;
- (iv) To review compliance with internal control systems;
- (v) To review the quarterly, half yearly and annual financial results of the Company before submission to the Board;
- (vi) Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large;
- (vii) To make recommendations to the Board on any matter relating to the financial management of the Company, including the Audit Report;
- (viii) To investigate into any matter in relation to items specified in section 292A of the Companies Act, 1956 or as may be referred to it by the Board and for this purpose to seek any relevant information contained in the records of the Company and also seek external professional advice, if necessary.

4. **Payment of remuneration/sitting fee to Directors ***

Remuneration/sitting fee paid to Directors during the financial year 2006-07, is given below:

Name of Director	Sitting Fee (Rs./Lacs)	No. of Shares held as on 31.03.07	Stock Option, if any
Mr.Onkar S. Kanwar	0.30	500	N.A.
Mr.K. Jacob Thomas	0.80	1500	N.A.
Mr. K. Jose Cyriac *	0.20	-	N.A.
Mr.Neeraj Kanwar	0.50	-	N.A.
Mr.N. Sreekumar**	0.00	-	N.A.
Mr. P.A.S. Rao	0.80	-	N.A.
Mr.P.N. Wahal**	0.40	-	N.A.
Mr.U.S. Oberoi	0.30	-	N.A.
Mr. T. Balakrishnan*	0.20	-	N.A.
Mr. Harish Bahadur	0.10	-	N.A.

* Sitting fee payable to Government of Kerala.

** Mr. N. Sreekumar and Mr. P.N. Wahal ceased to be Director w.e.f. 11th September, 2006.

5. Shareholders'/Investors' Transfer/Grievance Committee

The Company has constituted a Shareholders'/Investors' Transfer/Grievance Committee with a view to review the redressal of shareholders' and investors' complaints.

i) Constitution and Composition of Committee

The Committee comprises of the following members:-

Name of Directors	Designation
Mr. Onkar S. Kanwar	Chairman
Mr. U.S. Oberoi (ceased to be a Member w.e.f. 11 th September, 2006)	Member
Mr. P.N. Wahal (ceased to be a Member w.e.f. 11 th September, 2006)	Member
Mr. Neeraj Kanwar (co-opted as Member w.e.f. 12 th October, 2006)	Member
Mr. T. Balakrishnan (co-opted as Member w.e.f. 12 th October, 2006)	Member

ii) Functions

- The Committee approves issue of Duplicate Certificates and oversees and reviews all matters connected with transfer of shares of the Company.
- The Committee looks into the redressal of shareholders' and investors' complaints like transfer of shares, demat of shares, non-receipt of balance sheet and other benefits or information etc.
- The Committee oversees performance of the Registrars and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.
- The Committee approves all transfer/transmission of more than 2000 Shares received from a single buyer on weekly/fortnightly basis.

iii) Meetings

During the year, no Committee meeting had taken place.

iv) Others

- Mr. Pradeep Kumar, Company Secretary, has been designated as the Compliance Officer.
- During the year 2006-2007, no complaints were received by the Company.

6. General Body Meetings

a) The last three AGMs were held as under :-

Year	Location	Date	Time
2005-2006	Sowbagh, Bharat Hotel (BTH), Durbar Hall Road, Ernakulam, Kochi (Kerala) – 682 016	25.08.2006	11.00 A.M.
2004-2005	- do -	21.07.2005	3.00 P.M.
2003-2004	- do -	19.07.2004	3.00 P.M.

b) Special Resolutions passed in the previous three AGMs :-

Year	Special Resolution passed
2005-2006	No Special resolution was passed
2004-2005	Amendment in the Articles of Association
2003-2004	No Special resolution was passed

c) Special Resolution passed in the year 2006-07 through postal ballot :-

During the year, no special resolution was passed through postal ballot

d) Whether any Special resolution is proposed to be conducted through postal ballot :-

No

g) Dividend declared in last three Annual General Meetings :-

The Company has not declared any dividend during the last three years.

7. Disclosures

a) Related Party Transactions

Related Parties and transactions with them as required under Accounting Standards 18 (AS- 18) are furnished under paragraph number 11 of the Notes to the Accounts attached with the financial statements for the year ended March 31, 2007.

No transaction of material nature has been entered into by the Company with its promoters, the Directors or the management, their subsidiary or relatives etc. that may have a potential conflict with the interests of the Company. The Register of Contracts containing transactions, in which Directors are interested, is placed before the Board regularly.

b) Risk Management Procedure

In terms of sub-clause IV.C of Clause 49 of the Listing Agreement, the Company has made its Risk Charter and Risk Profile etc. to frame a risk management policy/internal control frame work. The Board periodically reviews the risks and plans to mitigate the same.

c) Compliance by the Company

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years.

8. Means of communication

Quarterly results are normally published in Pioneer/Statesman (national daily) and Kerala Kumudi (regional language)

9. Management Discussion and Analysis Report

Management Discussion and Analysis Report is Annexed hereto and forms part of the Annual Report (Annexure-B).

10. General Shareholder Information

- | | | | |
|----|--|----|---|
| a) | Registered office | : | 6 th Floor,
Cherupushpam Bldg.
Shanmugham Road,
Kochi – 682 031. |
| b) | Annual general meeting | | |
| | - Date | : | 25 th July, 2007 |
| | - Time | : | 3.00 P.M. |
| | - Venue | : | Sowbagh
Bharat Hotel (BTH),
Durbar Hall Road,
Ernakulam, Kochi. |
| c) | Financial calendar | | 1 st April to 31 st March |
| d) | Date of book-closure | | From 16 th July, 2007 to 25 th July, 2007 |
| e) | Dividend payment date | | Not Applicable |
| f) | Listing on stock exchange | | |
| 1. | Cochin Stock Exchange Ltd.,
MES, Dr. P.K. Abdul Gafoor Memorial
Cultural Complex, 36/1565, 4 th Floor,
Judges Avenue, Kaloor,
Kochi – 682017.
Ph.0484-2400044,2410898
Fax:0484-2400330
E-mail: cse1@vsnl.com | 2. | Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers,
1 st Floor, Dalal Street,
Mumbai – 400001
Ph.: 022-22721233/34
Fax: 022-22721919/3027 |

3. National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai – 400051
Ph. : 022-26598100-14
Fax : 022-26598237-38
E-mail: cmlist@nse.co.in

The Annual listing fee for the year 2007-2008 has been paid to all the aforesaid Stock Exchanges.

- g) Stock Code
Bombay Stock Exchange Ltd. : 509220
National Stock Exchange of India Ltd. : PTL
- h) Stock Market Price Data for the year 2006-2007

PTL share price on BSE & Sensex

Month	BSE			Sensex	
	High (Rs.)	Low (Rs.)	Volume (in lac)	High	Low
April, 06	38.90	27.50	3.47	12,102.00	11,008.43
May, 06	43.90	28.25	4.66	12,671.11	9,826.91
June, 06	31.85	19.90	0.42	10,626.84	8,799.01
July, 06	36.00	25.00	2.56	10,940.45	9,875.35
August, 06	37.00	31.05	3.16	11,794.43	10,645.99
September, 06	48.00	31.35	8.44	12,485.17	11,444.18
October, 06	44.00	37.00	3.17	13,075.85	12,178.83
November, 06	59.40	35.85	9.21	13,799.08	12,937.30
December, 06	77.75	53.10	6.11	14,035.30	12,801.65
January, 07	105.25	63.00	6.71	14,325.92	13,303.22
February, 07	147.85	110.50	4.80	14,723.88	12,800.91
March, 07	115.25	93.55	1.33	13,386.95	12,316.10

*** PTL share price on NSE & Nifty Index**

Month	BSE			Nifty	
	High (Rs.)	Low (Rs.)	Volume (in lac)	High	Low
January, 07	105.35	100.30	0.00	4167.15	3833.60
February, 07	148.00	110.65	2.17	4245.30	3674.85
March, 07	118.95	93.00	0.58	3901.75	3554.50

* Shares of the Company got listed on NSE w.e.f. 29th January, 2007

- i) Demat of shares - The Company signed an agreement with NSDL and CDSL during the year 2001 for providing facilities for Demat of shares to the Investors. The trading in equity shares of the Company is permitted compulsorily in Demat form w.e.f. 02.01.2002 as per notification issued by SEBI.
- j) Registrar & Transfer Agent - Alankit Assignments Ltd.
205-206, Anarkali Complex,
Jhandewalan Extension,
New Delhi – 110 055
Tel: 011-42541234,
Fax. 011-23541234
- k) Share Transfer System

The Company has appointed Alankit Assignments Ltd. as its R&T Agent to have a common registry for the demat of shares and transfer of shares in physical segment. In any case, all share transfers are completed within the prescribed time limit from the date of receipt, if document meets the stipulated requirement of statutory provisions in all respects. In case of approval of transfer of shares over 2000 shares received from a single buyer Shareholders'/Investors' Transfer/ Grievance Committee has power to approve the transfer. The total no. of shares transferred during the year were 6540. All the transfers were completed within stipulated time.

- l) Distribution of shareholding

The following is the distribution of shareholding of equity shares of the Company as on 31st March, 2007:-

Category	Number of Shareholders	Percentage of Shareholders	Number of Shares Held	Percentage of Shareholding
1-250	5588	97.60	872222	6.58
251-500	56	0.98	205670	1.55
501-1000	33	0.57	233467	1.76
1001-2000	20	0.35	291015	2.20
2001-3000	13	0.23	340894	2.58
3001-4000	2	0.04	66837	0.51
4001-5000	1	0.02	46535	0.35
5001-10000	5	0.09	401851	3.04
10001 & Above	7	0.12	10779209	81.43
Total	5725	100	13237700	100

“Group” for inter-se transfer of shares

As required under Clause 3(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 1997, the following entities constitute “Group” (within the meaning as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of Regulation 10 to 12 of the aforesaid SEBI Regulations :- Apollo Tyres Ltd., Apollo International Ltd., Apollo finance Ltd., Sunrays Prop. & Inv. Co. Pvt. Ltd., Ganga Kaveri Credit & Holding Co. Pvt. Ltd., Sacred Heart Inv. Co. Pvt. Ltd., Kenstar Invest. & Finance Co. Pvt. Ltd., Neeraj Consultants Ltd., Constructive Finance Pvt. Ltd., Motlay Finance Pvt. Ltd., Indus Valley Inv. & Finance Pvt. Ltd., Sargam Consultants Pvt. Ltd., Global Capital Ltd. and Mr. Onkar Singh Kanwar alongwith his family members.

m) Dematerialization of Shares and Liquidity

Around 119.82 lac equity shares of the Company comprising 90.51% of equity capital have been dematerialized till 31.3.2007. The equity shares of the Company are traded at Cochin, Bombay and National Stock Exchanges.

n) Plant Location: : Kalamassery,
Alwaye,
Kerala – 683 104

o) Address for correspondence

i) For share transfer/Demat : Alankit Assignments Ltd.
of shares and any other 205-206, Anarkali Complex,
query relating to Shares Jhandewalan Extension,
New Delhi – 110 055
Tel: 011-42541234,
Fax: 011-23541234
E-Mail : mjayrath@alankit.com

ii) For investors assistance : Company Secretary
Share Deptt.
PTL Enterprises Ltd.
6th floor, Cherupushpam Building,
Shanmugham Road, Kochi – 682 031
Tel Nos.: (0484) 2381902-3
Fax : (0484) 2370351
E-Mail: pradeep.khare@apolloytyres.com

p) Code of Conduct of Insider Trading

PTL Enterprises Ltd. has a Code of Conduct for 'Prevention of Insider Trading' in the shares and securities of the Company. The Code of Conduct prohibits the purchase/sale of shares of the Company by employees in possession of unpublished price sensitive information pertaining to the Company. Mr. Pradeep Kumar, Company Secretary, has been appointed the Compliance Officer.

This Code of Conduct is applicable to all the Directors, Departmental Heads and such other employees of the Company who are expected to have access to unpublished price sensitive information .

q) Code of Conduct for Directors and Senior Management

PTL Enterprises Ltd. has a "Code of Conduct for Directors and Senior Management". The Code envisages that Board of Directors and Senior Management must act within the bounds of the authority conferred upon them and with a duty to make and keep themselves informed about the development in the industry in which the Company is involved and the legal requirements to be fulfilled.

The Code is applicable to all the Directors and senior management of the Company. The Company Secretary is the compliance officer.

Declaration Affirming Compliance of provisions of the Code of Conduct

To the best of my knowledge and belief and on the basis of declarations given to me, I hereby affirm that all the Board members and the senior management personnel have fully complied with the provisions of the "Code of conduct for Directors and Senior Management" during the financial year ending March 31, 2007.

For PTL Enterprises Ltd.

Sd/-

Dated: 30th April, 2007

Place: Gurgaon

(Onkar S. Kanwar)
Chairman

COMPLIANCE:

The certificate dated 30th April, 2007 obtained from our statutory auditors, M/s. H.N. Mehta Associates, forms part of this Annual Report and the same is given herein:

**AUDITORS' CERTIFICATE
AS PER CLAUSE 49 OF THE LISTING AGREEMENT**

To

The Members of PTL Enterprises Ltd.

We have examined the compliance of conditions of corporate Governance by PTL Enterprises Ltd. for the year ended 31st March 2007, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

In our opinion and to the best of information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there were no investor grievances remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR AND ON BEHALF OF
H.N.MEHTA ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-

Place : Mumbai

Dated : 30th April, 2007

KIRAN PANCHOLI
PARTNER

Membership No. -F33218

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry Structure and Developments

Tyre Industry

The demand and growth for the industry depends on primary factors like the overall GDP growth, agricultural & industrial production, growth in vehicle demand and secondary factors like the infrastructure development, prevailing interest rates and financing options etc.

The truck and bus market is the largest segment of the industry accounting for approx. 70% of industry turnover in terms of value.

Steep rise in raw material prices particularly natural rubber, with limited pricing flexibility impacted the profit margins of all the players. Consistent rise in major raw materials costs (natural rubber, carbon black, synthetic rubber) have resulted in pressure on the margins of the tyre companies despite good topline growth. However the ability to push the cost increase to the customers to some extent, facilitated by the tight demand supply situation has provided some bit of a relief to the Industry.

The year ahead still looks tough with no respite in the raw material prices. The cost-push continues unabated and profitability would depend on the ability of the players to take large price increases. The story on the demand front though looks good in medium term with the economy continuing to do well.

Health Care Business

Healthcare services businesses in India are going through a huge transformation. Corporate Hospitals, with a focus on international standards, cutting edge technology, well trained and skilled doctors are fast gaining centre stage.

Healthcare services in India are woefully inadequate. There is a huge demand for good quality healthcare services, which are easily accessible and affordable. The government spending on healthcare has been declining as a percentage of the GDP and presently stands at a measly 0.9% of the GDP. 21% of the global disease burden continues to be in India.

On the other hand, the economy continues to grow at a healthy 8-9% per annum and is after China, the fastest growing economy in the world. Healthcare services are expected to be at the very forefront of this unprecedented boom. Healthcare services are expected to grow at approx 15% per annum for the next 5-7 years. Healthcare spending is expected to contribute 6.1% of the GDP in 2012.

Healthcare delivery and allied businesses are expected to continue to grow furiously for sometime to come. The paradigm changes being witnessed now in the industry make it one of the most exciting business opportunity. PTL Enterprises is ideally placed to capitalize on it.

2. Opportunities and Threats

SWOT Analysis of PTL Enterprises Ltd.

Strengths

- ☐ Tyre Plant leased to a leading Tyre Manufacturing Company, Apollo Tyres Ltd.
- ☐ Experienced Team of Workers

- ☐ Fixed income from lease rent of Tyre Plant
- ☐ Diversification by entering into Health Care Business through its subsidiaries which is a sunrise sector

Weakness

- ☐ Old Plant and Machinery of tyre manufacturing
- ☐ No direct presence in the tyre market
- ☐ No previous experience in Health Care segment

Opportunities

- ☐ Apollo Tyres Ltd. Brand production updates the manufacturing technology of Tyre Plant
- ☐ Dynamic and quick decision making
- ☐ Assured revenue through lease arrangement with Apollo Tyres Ltd.
- ☐ Increasing trend in medical tourism
- ☐ It is estimated that by 2012 India will need 1 million additional beds. 89% of this will come through investments by the private sector.

Threats

External

- ☐ Growing radicalization in the industry
- ☐ Increasing competition in Health Care Business
- ☐ Competition with big corporate brands in Hospital segment

Internal

- ☐ To rely on Apollo Tyres Ltd. for Lease Rentals

3. Segment wise performance

Company's products are being marketed by Apollo Tyres Ltd. under its brand name "Apollo". The truck/ bus tyres produced in the company's plant are largely exported by Apollo Tyres Ltd.

Artemis Health Institute, the Subsidiary Company's hospital at Gurgaon is gearing up to commence operations by June, 2007.

The institute is a multi speciality tertiary care facility with a focus on Oncology, Cardiovascular Services and Orthopaedics. The hospital also has facilities related to other specialities such as Internal Medicine, Obstetrics and Gynaecology, General and Laparoscopic Surgery, Bariatric Surgery, Plastic and Reconstructive Surgery, Ophthalmology, Paediatrics, Nephrology, Urology, ENT etc.

The hospital is equipped with the latest technology available anywhere in the world. The major equipment includes a 3 T MRI, 64 slice CT Angio, PET CT, Linear Accelerator, Mammography (both conventional as well as the experimental optical mammography), Gamma Camera and a Doppler. Most of this equipment is at the site and in various stages of installation and testing.

Artemis Health Institute has 10 Operating rooms and more than 60 critical care beds. The hospital also has a 24 hour blood bank (the only one in Gurgaon), a 24 hour pharmacy and full fledged round the clock emergency and trauma services.

4. **Outlook**

As a part of growth plan, Company is making constant endeavour in Health Care Business.

Artemis has been able to attract some of the most well known and skilled doctors. More than 50 doctors are on board and undergoing training and contributing towards setting up hospital and medical governance protocols. Apart from delivering cutting edge healthcare services the hospital is also focusing on creating an ambience, which is patient centric.

Artemis is also introducing innovative services such as a comprehensive Breast Centre, a Pain Clinic and an Artemis Health and Wellness Program. Artemis is also introducing relationship programs for the Senior Citizens, Women and a special Care at Home Program. These programs will commence from July 2007.

The hospital is also gearing to carry out clinical trials and medical research for principals abroad. A tie with Philips Medical Systems has already been firmed up. This allows Artemis Health Institute to collaborate with Philips in its research program.

5. **Risk and concerns**

The growth of tyre industry is dependent on the growth in automobile industry which is cyclical in nature. Most of the raw materials are petroleum based and their prices are linked to the movement in crude oil prices. Natural rubber which is one of the major component of the total raw material cost is an agricultural product and is subject to price volatility resulting from speculating activities

In the healthcare sector risk is mainly connected with medico legal cases.

6. **Information Technology/Internal Control Systems and their adequacies**

The company has proper and adequate systems for Internal Controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and that transactions are authorised, recorded and reported correctly.

The audit committee has carried out an exhaustive program of internal audits. The internal controls systems are designed to ensure that financial statements and other records are reliable for preparing financial statements and other data for monitoring accountability of assets.

The company has a robust risk management process which involves identification and quantification of various risks, setting out mitigation plans and action taken thereto and evaluation of residual risk.

The hospital information system (HIS) links all the hospital services thus ensuring a paperless and filmless environment. The HIS has been sourced from IBA Healthcare, which is an Australian IT company with a global foot print and more than 100 installations world wide. The HIS is being presently implemented on the site.

7. Discussion on Financial Performance with Respect to Operational Performance

The financial statements have been prepared in accordance with the requirements of the Companies Act, 1956 and applicable accounting standards issued by the Institute of Chartered Accountants of India. The management of the Company accepts the integrity and objectivity of these financial statements as well as the various estimates and judgements used therein. The estimates and judgements relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the form of transactions reasonably present the Company's state of affairs and profit for the year.

Sl.No	Particulars	(Rs./Lacs)	
		Year ended 31.03.2007	Year ended 31.03.2006
1	Other Income	1570.97	1117.68
2	Total Expenditure - Manufacturing and other Expenses	362.69	89.35
3	Operating Profit	1208.28	1028.33
4	Interest	145.04	5.04
5	Depreciation	16.74	18.86
6	Profit before Tax	1046.50	1004.43
7	Provision for Tax- Current	418.65	344.80
	- Deferred	(2.10)	(3.48)
	- Fringe Benefit Tax	0.88	0.44
8	Profit after Tax / Net Profit	629.07	662.67

8. Material Development in Human Resources / Industrial Relations.

The human resource is a key to success of any Company. The Company is developing its employees and rewarding them to attract and retain the best talent in the Company.

The Industrial relations, by and large, were cordial.

The number of people directly employed by the Company stood at 1269 as of 31st March, 2007.

NOTE:

This report contains forward-looking statements that describe our objectives, plans or goals. All statements that address expectations or projections about the future, including, but not limited to statements about the Company's strategy for growth, product development, market position, expenditure and financial results, are forward looking statements. These are subject to certain risks and uncertainties, including but not limited to, government action, local, political or economic development, technological risks, risks inherent in the Company's growth strategy, dependence on certain customers, technical personnel and other factors that could cause actual results to differ materially from those contemplated by the relevant forward looking statements. Investors should bear this in mind as they consider forward-looking statements.

AUDITORS' REPORT TO THE MEMBERS OF PTL ENTERPRISES LTD.

We have audited the attached Balance Sheet of **PTL Enterprises Ltd.**, as at 31st March 2007 along with the Profit and Loss Account and the cash flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of the company. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

We report as follows:

- I. As required by the Companies (Auditors' Report) Order, 2003, issued by the Department of Company Affairs, in terms of Section 227 (4A) of the Indian Company's Act, 1956 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us during the course of the audit, we give in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order.
- II. Further to our comments in the Annexure referred to in paragraph I above;
 1. 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;
 2. 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 the books;
 3. The Balance Sheet, Profit and Loss Account and Cash flow statement dealt with by this Report are in agreement with the books of account;
 4. In our opinion, the Balance Sheet, Profit and Loss Account and cash flow statement of the Company dealt with by this report, read with the notes and significant Accounting Policies, comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Company's Act, 1956;
 5. On the basis of written representations received from the Directors and taken on record by the Board of Directors we report that none of the directors of the company is, prima facie, as at 31st March, 2007 disqualified from being appointed as directors of the Company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 6. In our opinion and to the best of our information and according to the explanations given to us, the accounts, read with the notes and significant accounting policies thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007
- b) in the case of the Profit and Loss Account, 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 .

For and on Behalf of
H.N. Mehta Associates
Chartered Accountants

Sd/-

KIRAN PANCHOLI
Partner

Membership No. F33218

Dated: 30th April, 2007

Place: Mumbai

Annexure referred to in paragraph-I of the Auditors' Report to the members of PTL Enterprises Ltd. on the accounts for the year ended 31st March, 2007

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) Verification of Fixed Assets is being conducted by the management, which in our opinion is reasonable having regard to the size of the Company and the nature of assets. As explained to us, no discrepancies noticed on such verification.
- (c) As the Company has disposed off an insignificant part of the fixed assets during the year, paragraph 4 (i) (c) of the Companies (Auditors' Report) Order, 2003 (hereinafter referred to as the Order) is not applicable.
- ii) (a) At the year end, as explained the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the record of inventories, we are of the opinion that, the Company is maintaining proper records of inventories. As explained to us, no discrepancies noticed on physical verification of inventories as compared to book records.
- iii) (a) According to the information and explanations given to us, the Company has granted /taken unsecured loans to/from company covered in the register maintained under Section 301 of the Companies Act, 1956. Number of parties are three and maximum amount involved in the transactions are to the tune of Rs. 9,286.67 lacs.
- (b) The rate of interest and other terms and conditions on which loans given/taken by the Company, as explained, are prima facie not prejudicial to the interest of the Company.
- (c) The payment of principal amount and interest, wherever applicable, are also regular.
- (d) There is no overdue amount of loans taken by /granted to companies listed in the Register maintained u/sec. 301 of the Companies Act, 1956.
- iv) According to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the underlying internal controls.
- v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained in pursuance of section 301 of the Companies Act, 1956 have been so entered.

- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained U/sec. 301 of the Companies Act, 1956 and exceeding the value of Rs.5 lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) The Company has not accepted any chargeable deposit from the public during the year.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii) The Department of Company Affairs vide it's File No. 52/366/CAB-89 Dtd. 10.10.2006 had exempted Premier Tyres Ltd. from the requirement of Cost Audit for the year 2005-06 *and as explained to us an application has since been made requesting for an extension of exemption for the year 2006-07 in view of status quo of lease of factory to Apollo Tyres Ltd.*
- ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investors education protection fund, employees' state insurance, income tax , professional tax and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax and Cess were in arrears at the year end for a period of more than six months from the date they became payable.
- (c) According to the records of the Company and information and explanations given to us, there are dues of Income tax and sales tax aggregating to Rs. 278.50 Lacs, which have not been deposited on account of various disputes in appeal, the details of which are set out in notes to accounts vide Note No. B.1 of schedule 10.
- x) The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses during the financial years covered by our audit and immediately preceding financial year.
- xi) According to the records of the Company examined by us and the information and explanations given to us, the company has not defaulted in repayment of term loan dues to banks as at the balance sheet date.
- xii) As Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, paragraph 4 (xii) of the Order is not applicable.
- xiii) As the Company is not a chit fund / nidhi/ mutual benefit funds / society to which the provisions of special statute relating to chit fund are applicable, paragraph 4 (xiii) of the Order is not applicable.
- xiv) As the Company is not dealing or trading in shares, securities, debentures and other investments, paragraph 4 (xiv) of the Order is not applicable.
- xv) As explained, the Company has created charge on its assets during the year for term loan taken by its wholly owned sub-subsidiary company Artemis Medicare Services Private Ltd. and accordingly it is not prejudicial to the interest of the company.

- xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the company was applied for the purpose for which these loans were raised.
- xvii) As the Company has not raised, during the year, any funds on short term basis, paragraph 4 (xvii) of the Order is not applicable.
- xviii) As the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act, paragraph 4 (xviii) of the Order is not applicable.
- xix) As the Company has not issued any debentures, paragraph 4 (xix) of the Order is not applicable.
- xx) During the year, since the Company has not raised money by way of public issue, paragraph 4 (xx) of the Order is not applicable.
- xxi) Based upon the audit procedures performed along with information and explanations given by the management, we report that, no fraud on or by the Company has been noticed during the course of our audit for the year under report.

For and on Behalf of
H.N. Mehta Associates
Chartered Accountants

Sd/-

KIRAN PANCHOLI
Partner

Dated: 30th April, 2007

Place: Mumbai

Membership No. F33218

BALANCE SHEET AS AT 31ST MARCH, 2007

	Schedule	As at 31st March, 2007 Rs. Lacs	As at 31st March, 2006 Rs. Lacs
SOURCES OF FUNDS			
Shareholder's Funds :			
Share Capital	1	1,323.77	1,323.77
Reserves and Surplus	2	1,273.65	644.58
		<u>2,597.42</u>	<u>1,968.35</u>
Loans :	3		
Secured		2,503.94	
Unsecured		5.90	5.90
Deffered Tax Liability (Net)		30.74	32.84
		<u>2,540.58</u>	<u>38.74</u>
T O T A L		<u><u>5,138.00</u></u>	<u><u>2,007.09</u></u>
APPLICATION OF FUNDS			
Fixed Assets	4		
Gross Block		1,759.85	1,733.90
Less : Depreciation		1,559.57	1,544.93
Net Block		<u>200.28</u>	<u>188.97</u>
Investments	5	6,231.11	231.11
Current Assets, Loans and Advances :	6		
Inventories		17.66	17.66
Cash and Bank Balances		187.48	1,167.83
Loans and Advances		1,151.11	1,116.83
		<u>1,356.25</u>	<u>2,302.32</u>
Less: Current Liabilities and Provisions	7	2,649.64	715.31
Net Current Assets		<u>(1,293.39)</u>	<u>1,587.01</u>
T O T A L		<u><u>5,138.00</u></u>	<u><u>2,007.09</u></u>

As per our attached Report of even date.

For and on behalf of
H.N. MEHTA ASSOCIATES
Chartered Accountants

KIRAN PANCHOLI
Partner

ONKAR S KANWAR
Chairman

PRADEEP KUMAR
Company Secretary

Gurgaon
30th April, 2007

NEERAJ KANWAR
K. JOSE CYRIAC
K.JACOB THOMAS
P.A.S. RAO
U.S.OBEROI
HARISH BAHADUR

Directors

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2007

	Schedule	Year Ended 31st March, 2007 Rs. Lacs	Year Ended 31st March, 2006 Rs. Lacs
INCOME			
Other Income	8	1,570.97	1,117.68
		<u>1,570.97</u>	<u>1,117.68</u>
EXPENDITURE			
Manufacturing and Other Expenses	9	362.69	89.35
Depreciation for the year	4	16.74	18.86
Interest & Bank charges		145.04	5.04
		<u>524.47</u>	<u>113.25</u>
Profit Before Tax		1,046.50	1,004.43
Provision for Current Tax		418.65	344.80
Provision for Deferred Tax		(2.10)	(3.48)
Provision for FBT		0.88	0.44
Profit After Tax		629.07	662.67
Balance brought forward from previous year		594.51	(68.16)
Balance carried to Balance Sheet		<u>1,223.58</u>	<u>594.51</u>
Basic and Diluted Earnings Per Share		4.75	5.01
Face Value of Rs.10/- each (Rs.)			

As per our attached Report of even date.

For and on behalf of
H.N. MEHTA ASSOCIATES
Chartered Accountants

KIRAN PANCHOLI
Partner

ONKAR S KANWAR
Chairman

PRADEEP KUMAR
Company Secretary

Gurgaon
30th April, 2007

NEERAJ KANWAR
K. JOSE CYRIAC
K.JACOB THOMAS
P.A.S. RAO
U.S.OBEROI
HARISH BAHADUR

Directors

CASH FLOW STATEMENT

		(Rs./Lacs)	
		Year Ended 31st Mar 2007	Year Ended 31st Mar 2006
A	CASH FLOW FROM OPERATING ACTIVITIES		
(i)	NET PROFIT BEFORE TAX & EXTRAORDINARY ITEMS	1046.50	1004.43
Add	- Depreciation for the year	16.74	18.86
	- Provision For Gratuity	190.90	6.61
	- Profit on Sale of Assets	(0.11)	38.29
(ii)	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1254.03	1042.72
	Adjustment For		
	- Trade & Other Receivable	51.36	(766.94)
	- Trade Payables	1743.43	(269.27)
(iii)	CASH GENERATED FROM OPERATIONS	3048.82	6.51
	- Direct Taxes paid	(505.17)	190.74
(iv)	NET CASH FLOW FROM OPERATING ACTIVITIES	2543.65	197.25
B	CASH FLOW FROM INVESTING ACTIVITIES		
	- Purchase of Fixed Assets	(28.51)	(1.74)
	- Sale of Fixed Assets	0.57	(12.82)
	- Purchase of Investment	(6000.00)	(1.00)
	NET CASH USED IN INVESTING ACTIVITY	(6027.94)	(15.56)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	- Long Term Borrowing	2503.94	0.00
	NET CASH USED IN FINANCING ACTIVITIES	2503.94	0.00
	Net Increase in Cash or Cash Equivalents	(980.35)	181.69
	Cash or Cash Equivalent as on 01.04.06 (01.04.05)	1167.83	986.14
	Cash or Cash Equivalent as on 31.03.07 (31.03.06)	187.48	1167.83

NOTE:- The above Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

As per our attached Report of even date.

For and on behalf of
H.N. MEHTA ASSOCIATES
Chartered Accountants

KIRAN PANCHOLI
Partner

ONKAR S KANWAR
Chairman

PRADEEP KUMAR
Company Secretary

Gurgaon
30th April, 2007

NEERAJ KANWAR
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HARISH BHADUR

Directors

SCHEDULES

ANNEXED TO THE ACCOUNTS

SCHEDULE 1- SHARE CAPITAL

	As at 31st March, 2007 Rs. Lacs	As at 31st March, 2006 Rs. Lacs
AUTHORISED		
2,00,00,000 Equity Shares of Rs 10/-each	<u>2,000.00</u>	<u>2,000.00</u>
ISSUED, SUBSCRIBED AND PAID UP		
1,32,37,700 Equity Shares of Rs 10/- each	<u>1,323.77</u>	<u>1,323.77</u>

Notes: of the above shares:

- (i) 5,24,960 Equity Shares of Rs 10/-each allotted as fully paid-up pursuant to contracts without payment being received in cash.
- (ii) 3,00,000 Equity Shares of Rs10/-each issued as fully paid-up by way of Bonus Shares by capitalisation of reserves.
- (iii) 91,58,515 (Previous year 93,88,515) Equity Shares of Rs10/- each held by the holding company Constructive Finance Pvt Ltd at the year end

SCHEDULE 2- RESERVES & SURPLUS

	As at 31st March, 2007 Rs. Lacs	As at 31st March, 2006 Rs. Lacs
Capital Reserve	0.10	0.10
Surplus as shown in Profit & Loss Account	1,223.58	594.51
Capital Redemption Reserve	49.97	49.97
	<u>1,273.65</u>	<u>644.58</u>

SCHEDULE 3- LOANS

	As at 31st March, 2007 Rs. Lacs	As at 31st March, 2006 Rs. Lacs
SECURED LOANS :		
TERM LOAN		
Term Loan from SBI Cochin (Rent Plus)		
(Secured by equitable mortgage of Land)	1,053.94	-
Term Loan from Yes Bank New Delhi		
(Secured by Escrowing of Lease Rentals)	1,450.00	-
	<u>2,503.94</u>	-
UNSECURED LOANS :		
Dealers' Security Deposits	5.90	5.90
	<u>2,509.84</u>	<u>5.90</u>

SCHEDULE 4 - FIXED ASSETS

(Rs. Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION		NET BLOCK	
	As at 31st March, 2006	Additions	Deductions	As at 31st March, 2007	For the Year	To Date	As at 31st March, 2007	As at 31st March, 2006
Land	15.31			15.31	-	-	15.31	15.31
Buildings	282.44	26.54		308.98	7.14	168.28	140.70	121.30
Plant & Machinery	1,337.31			1,337.31	9.22	1,297.49	39.82	49.04
Electrical Installation and Equipments	35.89			35.89		35.89	0.00	-
Furniture, Fixture and Appliances	60.89	1.97	0.50	62.36	0.38	57.91	4.45	3.32
Vehicles	2.06		2.06	(0.00)	-	-	(0.00)	-
T O T A L	1,733.90	28.51	2.56	1,759.85	16.74	1,559.57	200.28	188.97

SCHEDULE 5- INVESTMENTS : (AT COST)

	As at 31st March, 2007 Rs. Lacs	As at 31st March, 2006 Rs. Lacs
OTHER SHARES		
UNQUOTED		
Cochin Co-operative Hospital Society 1 Share of Rs.10,000/- each fully paid	0.10	0.10
Premier Tyres Employees' Co-operative Stores 10 Shares of Rs.100/- each fully paid	0.01	0.01
Artemis Health Sciences Pvt Ltd 100,10,000 (Previous Year 10,000) Equity shares of Rs 10/-each fully paid	6,001.00	1.00
Apollo International Ltd 2,30,000 8% Optionally Convertible Privately Placed non-transferable Debentures of Rs 100/- each fully paid	230.00	230.00
	6,231.11	231.11

SCHEDULE 6- CURRENT ASSETS, LOANS AND ADVANCES

	As at 31st March, 2007 Rs. Lacs	As at 31st March, 2006 Rs. Lacs
CURRENT ASSETS, LOANS AND ADVANCES		
INVENTORY - (as valued and certified by management)		
Stores and Spares	17.66	17.66
	<u>17.66</u>	<u>17.66</u>
SUNDRY DEBTORS		
Considered Doubtful	139.80	139.80
Less: Provisions	(139.80)	(139.80)
	<u>-</u>	<u>-</u>
CASH AND BANK BALANCES :		
Cash in hand	1.74	1.51
With Scheduled Banks:		
Current Accounts	185.74	60.56
Deposit Accounts	-	1,105.76
	<u>187.48</u>	<u>1,167.83</u>
LOAN AND ADVANCES :		
(Unsecured, Considered Good)		
Advances recoverable in cash or in kind or for value to be received *	1,061.64	1,113.00
Advance Income Tax and FBT	1,277.90	772.73
Less: Provision for Taxation	1,189.02	769.49
	<u>88.88</u>	<u>3.24</u>
Current balances with Customs, Central Excise, Municipal and Sales Tax	23.83	23.83
Less: Provision for Doubtful Advances	(23.24)	(23.24)
	<u>0.59</u>	<u>0.59</u>
	<u>1,151.11</u>	<u>1,116.83</u>
	<u>1,356.25</u>	<u>2,302.32</u>

* Includes Rs 880.43 Lacs towards advance against Share Capital of Artemis Health Sciences Pvt Ltd.

SCHEDULE 7- CURRENT LIABILITIES AND PROVISIONS

	As at 31st March, 2007 Rs. Lacs	As at 31st March, 2006 Rs. Lacs
CURRENT LIABILITIES		
Sundry Creditors	14.83	16.79
Other Liabilities	1,967.91	222.52
	<u>1,982.74</u>	<u>239.31</u>
PROVISIONS		
For Gratuity	666.90	476.00
	<u>666.90</u>	<u>476.00</u>
	<u>2,649.64</u>	<u>715.31</u>

SCHEDULE 8- OTHER INCOME

	Year Ended 31st March, 2007 Rs. Lacs	Year Ended 31st March, 2006 Rs. Lacs
Sundry Sales and Miscellaneous Income	0.23	2.36
Profit on Sale of Assets (Net)	0.11	-
Income from Lease/services *	1,500.00	1,000.00
Interest Received *	52.23	96.92
Income from investment *	18.40	18.40
	<u>1,570.97</u>	<u>1,117.68</u>
* Tax Deducted at Source	<u>352.45</u>	<u>250.45</u>

SCHEDULE 9- MANUFACTURING & OTHER EXPENSES

	Year Ended 31st March, 2007 Rs. Lacs	Year Ended 31st March, 2006 Rs. Lacs
EMPLOYEES		
Salaries, Wages and Bonus	2,184.79	1,774.66
Voluntary Retirement Scheme	-	12.25
Contribution to Provident and Other Funds	159.07	140.33
Welfare Expenses	166.38	179.98
Gratuity	265.23	59.21
MANUFACTURING, ADMINISTRATIVE AND SELLING		
Power and Fuel Consumption	899.32	943.76
Freight and Delivery Expenses	-	0.01
Advertisement	3.78	1.53
Rent	6.99	6.95
Rates and Taxes	3.72	11.04
Insurance	16.69	15.45
Travelling and Conveyance Expenses	42.48	7.91
Directors' Fee	3.60	0.88
Payment to Statutory Auditors	1.85	1.41
Legal and Professional Charges	64.64	35.51
Repair and Maintenance	-	
- Sundries	-	0.53
Printing, Stationery, Postage Telegram & Telephone etc.	7.08	4.82
Loss on Sale of Asset	-	12.82
Bank charges	-	0.42
Reimbursement towards utilisation of Computer and other ATL facilities	36.00	-
Miscellaneous Expenses	4.16	3.73
	3,865.78	3,213.20
Less: Reimbursement of Expenses from Apollo Tyres Ltd.	3,503.09	3,123.85
	362.69	89.35

SCHEDULE 10- SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The accounts have been prepared on historical cost convention on accrual basis read with applicable Accounting Standards.

2. Fixed Assets

The cost of these assets comprises purchase price, installation charges and other pre-operative expenditure including interest on borrowings up to installation.

3. Borrowing Costs

Borrowing Costs are capitalised as a part of qualifying asset when it results in future economic benefits. Other borrowing costs are expensed.

4. Investments

Investments are stated at Cost.

5. Inventory Valuation

Stores and Spares – Lower of cost or net realizable value

6. Depreciation

Depreciation on fixed assets is provided on the straight-line basis at the rates specified in Schedule XIV of the Companies Act 1956, classifying certain plant and machinery as continuous process plant.

7. Claims

Insurance claims: As and when realized.

8. Gross Sales

includes Excise duty but excludes Sales Tax ,wherever applicable

9. Retirement Benefits

The company has made provision for gratuity on the basis of actuarial Certificate.

10. Taxes on Income

Current year's tax is determined in accordance with the Income Tax Act 1961. Deferred Tax is recognized subject to consideration of prudence on timing difference.

11. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

B . NOTES ON ACCOUNTS**1. Contingent Liabilities**

Name of the Statute	Nature of Dues	Amount (Lacs) 2006-07	Forum where Dispute is pending	Period to which current year amount relates
Sales Tax	Disputed Demands	117.12 19.31 1.13 137.56	High Court Sales Tax Tribunal -do-	1987-88 to 1993-94 1995-96 1998-99
Income Tax	Disputed Demands	140.94	Commr.of Income Tax	AY 2004-05
Employee Liability	Disputed Liability	0.21	Consumer Redreosal Form	2004-05
Employee Liability	Disputed Liability	0.29	Labour Court Jallandhar	2004-05

Name of the Statute	Nature of Dues	Amount (Lacs) 2005-06	Forum where Dispute is pending	Period to which current year amount relates
Sales Tax	Disputed Demands	117.12 19.31 1.13 137.56	High Court Sales Tax Tribunal -do-	1987-88 to 1993-94 1995-96 1998-99
Employee Liability	Disputed Liability	0.21	Consumer Redreosal Form	2004-05
Employee Liability	Disputed Liability	0.29	Labour Court Jallandhar	2004-05

2. Artemis Medicare Services Pvt. Ltd. a sub-subsidiary of the Company has availed a loan of Rs 5,000 Lacs from State Bank Of India Ernakulam. The Loan is secured by a charge over the entire fixed assets of the Company.

3. A. Deferred Tax Liability to the extent of Rs 2.10 lacs has been reversed for the year as per Accounting standard (AS 22) "Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India.

B. The Components of Net Deferred Tax Liability as on 31 st March 2007 are as under:

(Rs. in Lacs)

PARTICULARS	31 st March 2007	31 st March 2006
a) Deferred Tax Liability : Depreciation	30.74	32.84

4. Some of the Sundry Creditors, unsecured loans and Margin Money with Canara Bank Mumbai are subject to confirmation.

5. As per information available with the company
- a) Amount due to Small-Scale Industrial units – Nil.
- b) Amount due to Investor Education & Protection Fund- Nil

6. **PAYMENTS TO STATUTORY AUDITORS**

	For the year Ended 31st March, 2007 Rs, Lacs	For the year ended 31st March, 2006 Rs, Lacs
(1) As Audit fee (Including Service Tax)	0.84	0.84
(2) Tax Audit (—do—)	0.17	0.11
(3) Certification (—do—)	0.84	0.46
	<u>1.85</u>	<u>1.41</u>

7. Information pursuant to the provision of para 3 and 4 of part II of Schedule VI of the Companies Act 1956 (Quantitative information as certified by the Management)

A) INSTALLED CAPACITY AND PRODUCTION				
Class of goods	Installed Capacity	Production*	Installed Capacity	Production*
	Nos	Nos	Nos	Nos
	2006-2007		2005-2006	
Automotive Tyres	6,00,000	—	6,00,000	—
* No production has been shown as the plant of the Company has been given on lease to Apollo Tyres Ltd .				
	For the year Ended 31st March 2007		For the year Ended 31st March 2006	
	Nos	Rs Lacs	Nos	Rs Lacs
B) SALES				
Automotive Tyres	—	—	—	—
C) STOCKS				
Automotive Tyres				
Opening Stock	—	—	—	—
Closing Stock	—	—	—	—

8. Earnings Per Share(EPS)

The Numerator and denominator used to calculate Basic and Diluted Earnings per share:

	For the year Ended 31 st March 2007	For the year Ended 31 st March 2006
Profit attributable to Equity Share Holders (Rs lakhs) – A	629.07	662.67
Basic number of equity shares Outstanding during the year-B	1,32,37,700	1,32,37,700
Basic /Diluted Earnings Per Share of Rs10/- (A/B)	4.75	5.01

9. The Company has given its plant, on operating lease, to Apollo Tyres Ltd. for a period of eight years w.e.f. 01.04.2006, which is renewable. The lease rent amounting to Rs 1,500 Lacs received as per the lease agreement, has been credited to Profit & Loss Account.
10. The Company's operation predominantly comprises of only one segment –Income from lease of plant to Apollo Tyres Ltd as per agreement and there are no other business/ geographical segments to be reported as required under Accounting Standard (AS17) "Segmental Reporting" issued by The Institute of Chartered Accountants of India.
11. Disclosure of the relationship and transactions in accordance with Accounting standard 18- Related Party Disclosures issued by the Institute of Chartered Accountants of India.

Name of the Related Parties	RELATIONSHIP	TRANSACTION TYPES
Where Control Exists		
Constructive Finance Pvt.Ltd	Holding Company	
Artemis Health Sciences Pvt Ltd (AHSP Ltd)	Subsidiary Company	Loan given Interest Income
Artemis Medicare Services Pvt Ltd	Sub Subsidiary Company through AHSPLtd	Loan given Interest Income
Artemis Life Sciences Pvt Ltd	Sub Subsidiary Company through AHSPLtd	
Artemis Mediequipments Pvt Ltd	Sub Subsidiary Company through AHSPLtd	
Artemis Medical Institue & Hospitals Pvt Ltd	Sub Subsidiary Company through AHSPLtd	

Where Significant Influence Exists:		
Apollo Tyres Ltd	Group Company	Lease income of Factory Interest payment Reimbursement received towards Expenses Rent paid
Apollo International Ltd	Group Company	Interest on 8% Optionally Convertible privately placed non transferable debentures of Rs 100/- each
Neeraj Consultants Ltd Sunrays Properties & Investments Co Pvt Ltd Sacred Heart Investments Co Pvt Ltd Motlay Finance Pvt Ltd Ganga Kaveri Credit & Holding Pvt Ltd Global Capital Ltd Indus valley Investment & Finance Pvt Ltd Apollo Finance Ltd Sargam Consultants Pvt Ltd Kenstar Investment & Finance Pvt Ltd	Group Companies	No transactions

Volume of Transactions		(Rs.in Lacs)
NATURE	31 st March 2007	31 st March 2006
Lease of Factory	1500.00	1000.00
Interest Income	50.48	41.37
Interest on debentures recd	18.40	18.40
Interest Paid	3.99	5.04
Reimbursement of Expenses	3503.09	3123.85
Investment in equity Capital of Subsidiary	6000.00	1.00
Loan with Interest	0.00	1036.71
Rent paid	0.12	0.00
Reimbursement towards utilization of Computer and other ATL Facilities	36.00	0.00
Security Deposit Towards Lease rent	1500.00	0.00
Amount Outstanding		
Advance Recoverable in Cash or in kind		
Apollo Tyres Ltd	(-)1764.13	374.09
Artemis Medicare Services Pvt Ltd	16.42	617.58
Artemis Health Sciences Pvt Ltd	880.43	4.02
(Advance against Share Capital)		

12. The investment in subsidiary company Artemis Health Sciences Pvt Ltd to the extent of 5,100 equity shares of Rs 10/-each are held in the name of nominees.
13. Previous years figures are given in brackets
14. Previous years figures have been regrouped wherever necessary.

Signature to schedule "1 to 10"

As per our attached Report of even date.

For and on behalf of
H.N. MEHTA ASSOCIATES
Chartered Accountants

KIRAN PANCHOLI
Partner

ONKAR S KANWAR
Chairman

PRADEEP KUMAR
Company Secretary

Gurgaon
30th April, 2007

NEERAJ KANWAR
K. JOSE CYRIAC
K. JACOB THOMAS
P.A.S. RAO
U.S. OBEROI
HARISH BAHADUR

Directors

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANIES**

NAME OF THE SUBSIDIARY	ARTEMIS HEALTH SCIENCES PVT. LTD.	ARTEMIS MEDICARE SERVICES PVT. LTD.	ARTEMIS LIFE SCIENCES PVT. LTD.	ARTEMIS MEDIEQUIPMENTS PVT. LTD.	ARTEMIS MEDICAL INSTITUTE & HOSPITALS PVT. LTD.
NUMBER OF SHARES HELD IN THE SUBSIDIARY COMPANY	1.00,10,000, shares of Rs 10/- each fully paid	Subsidiary through Artemis Health Sciences Pvt Ltd	Subsidiary through Artemis Health Sciences Pvt Ltd	Subsidiary through Artemis Health Sciences Pvt Ltd	Subsidiary through Artemis Health Sciences Pvt Ltd
PERCENTAGE OF HOLDING IN THE SUBSIDIARY COMPANY	86.97%	86.97%	86.97%	86.97%	86.97%
FINANCIAL YEAR ENDED	31st March 2007	31st March 2007	31st March 2007	31st March 2007	31st March 2007
PROFIT/(LOSSES) OF THE SUBSIDIARY COMPANY FOR ITS FINANCIAL YEAR SO FAR AS IT CONCERNS THE MEMBERS OF PTL ENTERPRISES LTD WHICH HAVE NOT BEEN DEALT WITH IN THE ACCOUNTS OF PTL ENTERPRISES LTD FOR THE YEAR ENDED 31ST MARCH 2007					
— FOR THE YEAR	Rs (15,47,004)	Rs (59,49,260)	Rs (44,263)	Rs (49,270)	Rs (75,982)
— FOR THE PREVIOUS FINANCIAL YEARS	Rs (6,853)	Rs (46,74,511)	Rs (12,434)	Rs (12,434)	Rs (12,434)
— TOTAL ACCUMULATED UP TO THE YEAR	Rs (15,53,857)	Rs (1,06,23,771)	Rs (56,697)	Rs (61,704)	Rs (88,416)
THE NET AGGREGATE OF PROFITS / (LOSSES) OF THE SUBSIDIARY COMPANY FOR ITS FINANCIAL YEAR SO FAR AS IT CONCERNS THE MEMBERS OF PTL ENTERPRISES LTD WHICH HAVE BEEN DEALT WITH IN THE ACCOUNTS OF PTL ENTERPRISES LTD FOR THE YEAR ENDED 31ST MARCH 2007.					
— FOR THE YEAR	NIL	NIL	NIL	NIL	NIL
— FOR THE PREVIOUS FINANCIAL YEARS	NIL	NIL	NIL	NIL	NIL
— TOTAL ACCUMULATED UP TO THE YEAR	NIL	NIL	NIL	NIL	NIL

As per our attached Report of even date.

For and on behalf of
H.N. MEHTA ASSOCIATES
Chartered Accountants

KIRAN PANCHOLI
Partner

ONKAR S KANWAR
Chairman

PRADEEP KUMAR
Company Secretary

Gurgaon
30th April, 2007

NEERAJ KANWAR
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HARISH BAHADUR

Directors

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
As per Schedule VI Part (iv) of The Companies Act, 1956

I	REGISTRATION DETAILS	
	Registration No	9300
	State Code	9
	Balance Sheet Date	31.03.2007
II	CAPITAL RAISED DURING THE YEAR (Amount in Rs.Thousands)	
	Public Issue	
	Rights Issue	
	Private Placement	
	Bonus	
III	POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS(Amount in Rs Thousands)	
	Total Liabilities **	513800
	Total Assets	513800
	SOURCES OF FUNDS	
	Paid up Capital	132377
	Reserves & Surplus	127365
	Secured Loans	250394
	Unsecured Loans	590
	** Deferred Tax Liability (Net) Rs 3074 Thousands	
	APPLICATION OF FUNDS	
	Net Fixed Assets	20028
	Investments	623111
	Net Current Assets	(129,339)
	Mis Expenditure	
	Accumulated Losses	
IV	PERFORMANCE OF THE COMPANY (Amount in Rs Thousands)	
	Turnover including Other Incomes	157097
	Total Expenditure	52447
	Profit Before Tax	104650
	Profit After Tax	62907
	Earnings Per Share (Rs)	4.75
	Dividend Rate (%)	
V	GENERIC NAMES OF THREE PRINCIPAL PRODUCTS /SERVICES OF THE COMPANY	
	ITEM CODE NO.(ITC CODE)	TYRES
	Passenger /Jeep	40111000
	Bus/Lorries	40112000
	Tractor	40119902

ONKAR S KANWAR
Chairman

NEERAJ KANWAR
K. JOSE CYRIAC
K.JACOB THOMAS
P.A.S. RAO
U.S.OBEROI
HARISH BAHADUR

PRADEEP KUMAR
Company Secretary

Directors

30th April, 2007

AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF PTL ENTERPRISES LTD., ON THE CONSOLIDATED FINANCIAL STATEMENT

1. We have examined the attached Consolidated Balance Sheet of PTL Enterprises Ltd. and its subsidiary along with sub-subsidiaries (the Group) as at 31st March, 2007, the Consolidated Profit and Loss Account for the year ended on that date and the Consolidated Cash flow statement for the year ended on that date. These Consolidated Financial Statement are the responsibility of PTL Enterprises Ltd.'s management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Financial Statements based on our Audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principals used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiary and sub-subsidiaries (the Group), whose financial statements reflect the Group's share of total assets of Rs. 101,32,14,820/- (Previous Year Rs. 6,39,41,159.40) as at 31st March, 2007, the Group's total revenue of Rs. 17,76,891/- (Previous Year Rs. Nil) for the year ended on that date and net cash inflow amounting to Rs. 9,62,29,026/- (Previous Year Rs. 3,20,444) for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose consolidated financial report has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiary and sub-subsidiary companies, is based solely on the report of the other auditors.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements and Accounting Standard (AS) 23, Accounting for investments in associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of PTL Enterprises Ltd. and its subsidiary and sub-subsidiary companies included in the consolidated financial statements.
5. On the basis of the information and explanation given to us read with the notes to the consolidated accounts and on consideration of the separate audit report on the consolidated accounts of Group subsidiary and sub-subsidiary companies, we are of the opinion that,
 - a) The consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of PTL Enterprises Ltd., and its subsidiary and sub-subsidiary companies as at 31st March, 2007,
 - b) The consolidated Profit and Loss account gives a true and fair view of the consolidated result of operation of PTL Enterprises Ltd., and its subsidiary and sub-subsidiary companies for the year ended on that date, and
 - c) The consolidated Cash flow statement gives a true and fair view of the consolidated cash flows of PTL Enterprises Ltd. and its subsidiary and sub-subsidiary companies for the year ended on that date.

For and on Behalf of
H.N. Mehta Associates
Chartered Accountants

Sd/-

KIRAN PANCHOLI

Partner

Dated: 30th April, 2007

Place: Mumbai

Membership No. F33218

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007

	Schedule	As at 31st March, 2007 Rs.Lacs	As at 31st March, 2006 Rs.Lacs
SOURCES OF FUNDS			
Shareholder's Funds :			
Share Capital	1	1,323.77	1,323.77
Reserves and Surplus	2	1,079.85	572.91
		<u>2,403.62</u>	<u>1,896.68</u>
Minority Interest		133.60	
Loans :			
Secured	3	5,286.92	
Unsecured		5.90	5.90
Deferred Tax Liability (Net)		25.12	32.84
T O T A L		<u><u>7,855.16</u></u>	<u><u>1,935.42</u></u>
APPLICATION OF FUNDS			
Fixed Assets	4		
Gross Block		3,478.85	1,744.28
Less : Depreciation		1,564.93	1,545.21
Net Block		<u>1,913.92</u>	<u>199.07</u>
Capital Work In Progress		7,152.34	535.86
		<u>9,066.26</u>	<u>734.93</u>
Goodwill on Consolidation		17.10	17.10
Investments	5	230.11	230.11
Current Assets, Loans and Advances :	6		
Inventories		17.66	17.66
Cash and Bank Balances		1,152.97	1,167.83
Loans and Advances		315.86	496.70
		<u>1,486.49</u>	<u>1,682.19</u>
Less: Current Liabilities and Provisions	7	<u>2,944.80</u>	<u>728.91</u>
Net Current Assets		<u>(1,458.31)</u>	<u>953.28</u>
T O T A L		<u><u>7,855.16</u></u>	<u><u>1,935.42</u></u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	10		

As per our attached Report of even date.

For and on behalf of
H.N. MEHTA ASSOCIATES
Chartered Accountants

KIRAN PANCHOLI
Partner

ONKAR S KANWAR
Chairman

PRADEEP KUMAR
Company Secretary

Gurgaon
30th April, 2007

NEERAJ KANWAR
K. JOSE CYRIAC
K.JACOB THOMAS
P.A.S. RAO
U.S.OBEROI
HARISH BHADUR

Directors

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

	Schedule	As at 31st March, 2007 Rs.Lacs	As at 31st March, 2006 Rs.Lacs
INCOME			
Other Income	8	1,538.26	1,083.68
		<u>1,538.26</u>	<u>1,083.68</u>
EXPENDITURE			
Manufacturing and Other Expenses	9	462.79	122.47
Depreciation		21.81	18.86
Interest		145.14	5.04
		<u>629.74</u>	<u>146.37</u>
Profit Before Tax		908.52	937.31
Provision for Current Tax		418.65	344.80
Provision for Deferred Tax		(7.72)	(3.48)
Provision/Expense for FBT		7.05	4.99
Profit After Tax		490.54	591.00
Less Minority Interest		<u>(11.49)</u>	<u>-</u>
Net Profit		502.03	591.00
Balance brought forward from previous year		522.84	(68.16)
Transferred to Minority Interest		(4.91)	-
Balance carried to Balance Sheet		<u>1,029.78</u>	<u>522.84</u>
Basic and Diluted Earnings Per Share Face Value of Rs.10/- each (Rs.)		3.79	4.46
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	10		

As per our attached Report of even date.

For and on behalf of
H.N. MEHTA ASSOCIATES
Chartered Accountants

KIRAN PANCHOLI
Partner

ONKAR S KANWAR
Chairman

PRADEEP KUMAR
Company Secretary

Gurgaon
30th April, 2007

NEERAJ KANWAR
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HARISH BAHADUR

Directors

CASH FLOW STATEMENT

(Rs./Lacs)

		Year Ended 31st Mar 2007	Year Ended 31st Mar 2006
A	CASH FLOW FROM OPERATING ACTIVITIES		
(i)	NET PROFIT BEFORE TAX & EXTRAORDINARY ITEMS	908.52	937.31
Add	- Depreciation for the year	21.81	18.86
	- Provision For Gratuity	192.10	6.61
	- Profit on Sale of Assets	(0.11)	38.29
(ii)	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1122.32	975.60
	Adjustment For		
	- Trade & Other Receivable	270.35	(146.81)
	- Trade Payables	2023.79	(255.67)
(iii)	CASH GENERATED FROM OPERATIONS	3416.46	573.12
	- Direct Taxes paid	(515.21)	186.19
(iv)	NET CASH FLOW FROM OPERATING ACTIVITIES	2901.25	759.31
B	CASH FLOW FROM INVESTING ACTIVITIES		
	*- Purchase of Fixed Assets	(8203.61)	(547.70)
	- Sale of Fixed Assets	0.58	(12.82)
	- Purchase of Investment		(17.10)
	NET CASH USED IN INVESTING ACTIVITY	(8203.03)	(577.62)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	- Long Term Borrowing	5286.92	0.00
	NET CASH USED IN FINANCING ACTIVITIES	5286.92	0.00
	Net Increase in Cash or Cash Equivalents	(14.86)	181.69
	Cash or Cash Equivalent as on 01.04.06 (01.04.05)	1167.83	986.14
	Cash or Cash Equivalent as on 31.03.07 (31.03.06)	1152.97	1167.83

NOTE:- The above Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

* Excluding Intangible Assets Generated through issue of equity shares

As per our attached Report of even date.

For and on behalf of
H.N. MEHTA ASSOCIATES
Chartered Accountants

KIRAN PANCHOLI
Partner

ONKAR S KANWAR
Chairman

PRADEEP KUMAR
Company Secretary

Gurgaon
30th April, 2007

NEERAJ KANWAR
K. JOSE CYRIAC
K.JACOB THOMAS
P.A.S. RAO
U.S.OBEROI
HARISH BAHADUR

Directors

SCHEDULES ANNEXED TO THE ACCOUNTS

SCHEDULE 1- SHARE CAPITAL

	As at 31st March, 2007 Rs.Lacs	As at 31st March, 2006 Rs.Lacs
AUTHORISED		
2,00,00,000(Previous Year 2,00,00,000) Equity Shares of Rs.10/- each	<u>2,000.00</u>	<u>2,000.00</u>
ISSUED, SUBSCRIBED AND PAID UP		
1,32,37,700 (Previous Year 1,32,37,700) Equity Shares of Rs.10/- each	<u>1,323.77</u>	<u>1,323.77</u>
	<u>1,323.77</u>	<u>1,323.77</u>

Notes: of the above shares:

- (i) 5,24,960 (Previous year 5,24,960) Equity Shares of Rs.10/- each allotted as fully paid-up pursuant to contracts without payment being received in cash.
- (ii) 3,00,000(Previous year 3,00,000) Equity Shares of Rs.10/- each issued as fully paid-up by way of Bonus Shares by capitalisation of reserves.
- (iii) 91,58,515 (Previous year 93,88,515) Equity Shares of Rs10/- each held by the holding company Constructive Finance Pvt Ltd at the year end

SCHEDULE 2- RESERVES & SURPLUS

	As at 31st March, 2007 Rs.Lacs	As at 31st March, 2006 Rs.Lacs
Capital Reserve	0.10	0.10
Capital Redemption Reserve	49.97	49.97
Surplus in P&L Account	<u>1,029.78</u>	<u>522.84</u>
	<u>1,079.85</u>	<u>572.91</u>

SCHEDULE 3- LOANS

	As at 31st March, 2007 Rs.Lacs	As at 31st March, 2006 Rs.Lacs
SECURED LOANS :		
TERM LOAN		
Term Loan from SBI Cochin (Rent Plus) (Secured by equitable mortgage of Land of the Parent Company)	1,053.94	-
Term Loan from Yes Bank New Delhi (Secured by Escrowing of Lease Rentals of the Parent Company)	1,450.00	-
State Bank of India Ernakulam (Secured by:	2,782.98	-
1. First charge on the entire Fixed Assets of the Subsidiary Company (Immovable & Movable) both present & future ranking pari-passu with other Term lenders.		
2. Charge over the entire fixed assets of the Parent Company)		
	<u>5,286.92</u>	<u>-</u>
UNSECURED LOANS :		
Dealers' Security Deposits	5.90	5.90
	<u>5,292.82</u>	<u>5.90</u>

SCHEDULE 4- FIXED ASSETS

P A R T I C U L A R S	COST/VALUE			DEPRECIATION		NET BLOCK	
	As at 31st March, 2006	Additions	Deductions	For the Year	To Date	As at 31st March, 2007	As at 31st March, 2006
Land	15.31	1,606.88*	-	-	-	1,622.19	15.31
Buildings	282.44	26.54	-	7.14	168.28	140.70	121.30
Plant & Machinery	1,338.53	39.57	-	10.93	1,299.25	78.85	50.26
Electrical Installation and Equipments	35.89	-	-	-	35.89	-	-
Furniture, Fixture and Appliances	61.05	2.07	0.50	0.39	57.92	4.70	3.48
Vehicles	11.06	62.07	2.06	3.35	3.59	67.48	8.72
T O T A L	1,744.28	1,737.13	2.56	21.81	1,564.93	1,913.92	199.07

* Registration formalities in respect of addition to Land are under progress in respect of the subsidiary company

SCHEDULE 5- INVESTMENTS : (AT COST)

	As at 31st March, 2007 Rs.Lacs	As at 31st March, 2006 Rs.Lacs
OTHER SHARES		
UNQUOTED		
Cochin Co-operative Hospital Society 1 Share of Rs.10,000/- each fully paid	0.10	0.10
Premier Tyres Employees' Co-operative Stores 10 Shares of Rs.100/- each fully paid	0.01	0.01
Apollo International Ltd 230,000 8% optionally Convertible Privately placed Debentures of Rs 100 each	230.00	230.00
	<u>230.11</u>	<u>230.11</u>

SCHEDULE 6- CURRENT ASSETS, LOANS AND ADVANCES

	As at 31st March, 2007 Rs.Lacs	As at 31st March, 2006 Rs.Lacs
CURRENT ASSETS, LOANS AND ADVANCES		
INVENTORY - (as valued and certified by the management)		
Stores and Spares	17.66	17.66
	<u>17.66</u>	<u>17.66</u>
SUNDRY DEBTORS		
Doubtful	139.80	139.80
Less Provisions	(139.80)	(139.80)
	<u>-</u>	<u>-</u>
CASH AND BANK BALANCES :		
Cash in hand	1.87	1.51
With Scheduled Banks in Current Accounts	210.10	60.56
Deposit Accounts	941.00	1,105.76
	<u>1,152.97</u>	<u>1,167.83</u>
LOAN AND ADVANCES :		
(Unsecured, Considered Good)		
Advances recoverable in cash or in kind or for value to be received	222.52	492.87
Advance Income Tax	1,287.92	777.28
Less: Provision for Taxation	1,195.17	774.04
	<u>92.75</u>	<u>3.24</u>
Current balances with Customs, Central Excise, Municipal and Sales Tax	23.83	23.83
Less: Provision for Doubtful Advances	(23.24)	23.24
	<u>0.59</u>	<u>0.59</u>
	<u>315.86</u>	<u>496.70</u>
	<u>1,486.49</u>	<u>1,682.19</u>

SCHEDULE 7 - CURRENT LIABILITIES AND PROVISIONS

	As at 31st March, 2007 Rs.Lacs	As at 31st March, 2006 Rs.Lacs
CURRENT LIABILITIES		
Sundry Creditors	213.32	25.96
Other Liabilities	2,045.55	226.95
For Expenses	1.63	-
For Bonus	16.20	-
	<u>2,276.70</u>	<u>252.91</u>
PROVISIONS		
For Gratuity	668.10	476.00
	<u>668.10</u>	<u>476.00</u>
	<u>2,944.80</u>	<u>728.91</u>

SCHEDULE 8 - OTHER INCOME

	As at 31st March, 2007 Rs.Lacs	As at 31st March, 2006 Rs.Lacs
Sundry Sales and Miscellaneous Income	0.23	2.36
Income from Lease/services*	1,500.00	1,000.00
Interest Received*	18.07	62.92
Profit on Sale of Assets (Net)	0.11	
Income from investments	18.40	18.40
Tender fees	1.45	
	<u>1,538.26</u>	<u>1,083.68</u>

SCHEDULE 9 - MANUFACTURING & OTHER EXPENSES

	As at 31st March, 2007 Rs.Lacs	As at 31st March, 2006 Rs.Lacs
EMPLOYEES		
Salaries, Wages and Bonus	2,184.79	1,774.66
Voluntary Retirement Scheme		12.25
Contribution to Provident and Other Funds	159.07	140.33
Welfare Expenses	166.38	179.98
Gratuity	265.23	59.21
MANUFACTURING, ADMINISTRATIVE AND SELLING		
Power and Fuel Consumption	899.32	943.76
Freight and Delivery Expenses		0.01
Advertisement	26.02	33.50
Rent	6.99	6.95
Rates and Taxes	39.29	11.04
Insurance	16.69	15.45
Travelling and Conveyance Expenses	42.48	7.91
Directors' Fee	4.55	0.88
Payment to Statutory Auditors	2.28	1.69
Legal and Professional Charges	81.26	35.51
Loss on Sale of Assets		12.82
Book & Periodicals	0.56	
Computer Exp	1.08	
Business Promotion Expenses	12.22	
Donation	0.51	
Exhibition Expenses	2.49	
Membership Fee and Subscription	0.90	
Repair and Maintenance		
- Sundries		0.53
Printing, Stationery, Postage Telegram & Telephone etc.	12.35	5.29
Bank charges	1.11	0.67
Reimbursement towards utilisation of Computer and other ATL facilities	36.00	
Miscellaneous Expenses	4.31	3.88
	3,965.88	3,246.32
Less: Reimbursement of Expenses from Apollo Tyres Ltd.	3,503.09	3,123.85
	462.79	122.47

SCHEDULE 10- SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS**A. SIGNIFICANT ACCOUNTING POLICIES****1. Basis of Accounting:**

The accounts have been prepared on historical cost convention on accrual basis read with applicable Accounting Standards.

2. Basis of Consolidation:

The consolidated financial statements comprise the financial statements of PTL Enterprises Ltd. and the following Companies:

Name of the Company	Relationship	Country of Incorporation	Proportion of Ownership 31.03.2007	Proportion of Ownership 31.03.2006
Artemis Health Sciences Pvt. Ltd.	Subsidiary	India	86.97%	100%
Artemis Medicare Services Pvt. Ltd.	Sub Subsidiary	India	86.97%	100%
Artemis Life Sciences Pvt. Ltd.	Sub Subsidiary	India	86.97%	100%
Artemis Mediequipments Pvt. Ltd.	Sub Subsidiary	India	86.97%	100%
Artemis Medical Institute & Hospitals Pvt. Ltd.	Sub Subsidiary	India	86.97%	100%

The financial statements are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated financial statements as laid down in Accounting Standard (AS) 21 "Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India.

Consolidated financial statements are prepared using uniform accounting policies.

The excess of cost to the parent company of its investment in subsidiaries over its portion of equity in the subsidiary at the date on which investment was made is recognised in the financial statements as goodwill. The parent company's portion of equity in the subsidiary is determined on the basis of the book value of assets and liabilities as per the financial statements of the subsidiary on the effective date of investment.

The amount shown in respect of reserves comprises the amount of the relevant reserve as per the balance sheet of the parent company plus its share in the post-acquisition movement of the profits of the subsidiary.

3. Fixed Assets:

All costs relating to the acquisition and installation of fixed assets are capitalized and include finance cost on borrowed funds attributable to acquisition of fixed assets for the period up to the date of commencement of production.

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the Profit and Loss Account. Income attributable to the project is deducted from the total of the indirect expenditure.

4. Borrowing Costs:

Borrowing Costs are capitalized as a part of qualifying asset when it results in future economic benefits. Other borrowing costs are expensed.

5. Investments:

Investments are stated at Cost.

6. Inventory Valuation:

Stores and Spares – Lower of cost or net realizable value.

7. Depreciation:

Depreciation on fixed assets is provided on the straight-line basis at the rates specified in Schedule XIV of the Companies Act 1956, classifying certain plant and machinery as continuous process plant.

8. FOREIGN CURRENCY TRANSACTIONS:

Foreign Currency Transactions are recorded at the rate of exchange prevailing on the date of transaction. The transaction outstanding at the year-end are translated at the rate of exchange prevailing at the year-end and profit or loss other than that relating to fixed assets acquired from outside India is recognised in Profit & Loss Account. The premium or discount arising at the inception of the forward exchange contract is amortized as expense or income over the life of the contract. Exchange difference on such contracts is recognised in the Profit & Loss Account except in respect of those relating to fixed assets acquired from outside India.

9. Claims:

Insurance claims: As and when realized.

10. Gross Sales includes Excise duty but excludes Sales Tax, wherever applicable**11. Retirement Benefits:**

The company has made provision for gratuity on the basis of actuarial Certificate. Fixed contributions to Provident Fund, Employees Pension Fund and cost of other benefits are recognized in the accounts on actual cost to the Company.

12. Taxes on Income:

Current year's tax is determined in accordance with the Income Tax Act 1961. Deferred Tax is recognized subject to consideration of prudence on timing difference.

13. Provisions:

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

B. NOTES ON ACCOUNTS**1. Contingent Liabilities**

Name of the Statute	Nature of Dues	Amount (Lacs) 2006-07	Forum where Dispute is pending	Period to which current year amount relates
Sales Tax	Disputed Demands	117.12 19.31 <u>1.13</u> <u>137.56</u>	High Court Sales Tax Tribunal -do-	1987-88 to 1993-94 1995-96 1998-99
Income Tax	Disputed Demands	140.94	Commr. of Income Tax	AY 2004-05
Employee Liability	Disputed Liability	0.21	Consumer Redressal Form	2004-05
Employee Liability	Disputed Liability	0.29	Labour Court Jalandhar	2004-05

Name of the Statute	Nature of Dues	Amount (Lacs) 2005-06	Forum where Dispute is pending	Period to which current year amount relates
Sales Tax	Disputed Demands	117.12 19.31 <u>1.13</u> <u>137.56</u>	High Court Sales Tax Tribunal -do-	1987-88 to 1993-94 1995-96 1998-99
Employee Liability	Disputed Liability	0.21	Consumer Redressal Form	2004-05
Employee Liability	Disputed Liability	0.29	Labour Court Jalandhar	2004-05

2.	Capital Expenditure Commitments not provided for (Rs in Lacs)	2006-07 3,223.84	2005-06 4,705.00
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3. A. Deferred Tax Liability to the extent of Rs 7.72 Lacs has been reversed for the year as per Accounting standard (AS 22) "Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India.
- B. The Components of Net Deferred Tax Liability as on 31 st March 2007 are as under:

PARTICULARS	31 st March 2007	31 st March 2006
a) Deferred Tax Liability (Parent Co.): Depreciation	30.74	32.84
b) Deferred Tax Assets (Subsidiary): Depreciation	5.62	-
Net Deferred Tax Liability	25.12	

4. Pre Operative Expenses

Following pre operative Expenses have been included in Capital Work in Progress:

	As on 31-03-07	As on 31-03-06
Salary & Stipend	223.77	10.17
Diwali & Staff Welfare Expenses	21.46	-
Advertisement Expenses	39.91	-
Lease Rent	1.00	0.12
Insurance	1.08	-
Taxi Hire Charges & Tour & Travelling	36.07	0.32
Appraisal Fee & commitment Charges	30.12	-
Administrative Expenses	2.72	-
Consultancy Charges	264.34	83.74
Entertainment Expenses	0.37	-
Generator Maintenance Expenses	1.85	-
Horticulture Exp	7.00	-
Hire Charges - Furniture	0.56	-
House Keeping Expenses	0.14	-
Medical Camp Expenses	1.63	-
Physician Mapping Charges	4.74	-
Recruitment Exp	16.46	0.38
Re-Location Expenses	11.10	-
Retainership Fee(Medical Consultant)	6.60	-
Security Expenses	4.10	0.60
Telephone and Internet Expenses	1.43	-
Training & Development Expenses	3.94	-
Bank Charges & LC/FLC Commission	14.92	-
Interest Expenses & Processing Fee	215.89	34.29
Technical Know How	150.00	-
Misc Expenses	0.61	0.29
Total	1,061.81	129.91
Less: Re-imbursement of expenses	(4.89)	-
Total	1,056.92	129.91

5. Some of the Sundry Creditors, unsecured loans and Margin Money with Canara Bank Mumbai are subject to confirmation.
6. As per information available with the company
- a) Amount due to Small-Scale Industrial units – Nil.
- Amount due to Investor Education & Protection Fund- Nil

7. Segmental Reporting

a.) Business Segments:

The Health Care Segment consist the health care business under the subsidiaries of the company and the Lease of Plant segment consist the income from lease of Plant to Apollo Tyres Ltd.

Geographical Segments

The company has not identified any geographic segments.

- b) Segmental assets includes all operating assets used by respective segment and consists principally of operating cash, debtors, inventories and fixed assets net of allowances and provisions. Segmental liabilities include all operating liabilities and consist primarily of creditors and accrued liabilities. Segment assets and liabilities do not include income tax assets and liabilities.

Information about Primary Segment

Particulars	Health Care		Lease of Plant		Other Corp		Total	
	<u>2006</u> 2007	<u>2005</u> 2006	<u>2006</u> 2007	<u>2005</u> 2006	<u>2006</u> 2007	<u>2005</u> 2006	<u>2006</u> 2007	<u>2005</u> 2006
1. REVENUE								
Other Income	17.77	-	1500.00	1000.00	70.97	117.68	1588.74	1117.68
Inter segment Income	-	-	-	-	(50.48)	(34.00)	(50.48)	(34.00)
Total Revenue	17.77	-	1500.00	1000.00	20.49	83.68	1538.26	1083.68
2. RESULT								
Segment result	(103.81)	(67.12)	1102.60	909.75	18.40	18.40	1017.19	861.03
Interest Expense	(0.10)	-	(3.99)	(5.04)	(141.05)	-	(145.14)	(5.04)
Interest & Dividend income	16.32	-	20.15	81.32	-	-	36.47	81.32
Income Taxes	(0.55)	(4.55)	(417.43)	(341.76)	-	-	(417.98)	(346.31)
Net profit	(88.14)	(71.67)	701.33	644.27	(122.65)	18.40	490.54	591.00
3. OTHER INFORMATION								
Segment assets	9906.30	564.53	570.91	1866.56	328.37	233.24	10805.58	2664.33
Segment liabilities	3078.14	13.60	2655.54	721.21	2534.68	32.84	8268.36	767.65
Capital Expenditure	8325.10	546.24	49.89	1.74	-	-	8374.99	547.98
Depreciation	5.07	-	16.74	18.86	-	-	21.81	18.86

8. Earnings Per Share(EPS)

The Numerator and denominator used to calculate Basic and Diluted Earnings per share:

	For the year Ended 31 st March 2007	For the year Ended 31 st March 2006
Profit attributable to Equity Share Holders (Rs lakhs) – A	502.03	591.00
Basic number of equity shares Outstanding during the year-B	1,32,37,700	1,32,37,700
Basic /Diluted Earnings Per Shareof Rs10/- (A/B)	3.79	4.46

9. The Company has given its plant, on operating lease, to Apollo Tyres Ltd. for a period of eight years w.e.f. 01.04.2006, which is renewable. The lease rent amounting to Rs 1,500 Lacs received as per the lease agreement, has been credited to Profit & Loss Account.

10. Disclosure of the relationship and transactions in accordance with Accounting standard
18- Related Party Disclosures issued by the Institute of Chartered Accountants of India.

NAME OF THE RELATED PARTIES	RELATIONSHIP	TRANSACTION TYPES
Where Control Exists		
Where Significant Influence Exists:		
Apollo Tyres Ltd	Group Company	Lease income of Factory Interest income/ payment Reimbursement received towards Expenses Rent paid
Apollo International Ltd	Group Company	Interest on 8% Optionally Convertible Privately placed non transferable debentures of Rs 100/- each
Neeraj Consultants Ltd Sunrays Properties & Investments Co Pvt Ltd Sacred Heart Investments Co Pvt Ltd Motlay Finance Pvt Ltd Ganga Kaveri Credit & Holding Pvt Ltd Global Capital Ltd Indus valley Investment & Finance Pvt Ltd Apollo Finance Ltd Sargam Consultants Pvt Ltd Kenstar Investment & Finance Pvt Ltd	Group Companies	No transactions

Volume of Transactions	(Rs.in Lacs)	
NATURE	31 st March 2007	31 st March 2006
Lease of Factory	1,500.00	1,000.00
Interest Income	NIL	25.78
Interest on debentures recd	18.40	18.40
Interest Paid	3.99	5.04
Reimbursement of Expenses	3,503.09	3,123.85
Loan with Interest	NIL	1,036.71
Rent paid	0.12	NIL
Reimbursement towards utilization of Computer & other ATL Facilities	36.00	NIL
Security Deposit Towards Lease Rent	1500.00	0.00
Amount Outstanding		
Advance Recoverable in Cash or in kind		
Apollo Tyres Ltd	(-)1764.13	374.09

11. The investment in subsidiary company Artemis Health Sciences Pvt Ltd to the extent of 5,100 equity shares of Rs 10/-each are held in the name of nominees.
12. Previous years figures are given in brackets
13. Previous years figures have been regrouped wherever necessary.

Signature to schedule "1 to 10"

As per our attached Report of even date.

For and on behalf of
H.N. MEHTA ASSOCIATES
Chartered Accountants

KIRAN PANCHOLI
Partner

ONKAR S KANWAR
Chairman

PRADEEP KUMAR
Company Secretary

Gurgaon
30th April, 2007

NEERAJ KANWAR
K. JOSE CYRIAC
K.JACOB THOMAS
P.A.S. RAO
U.S.OBEROI
HARISH BHADUR

Directors

Information Pertaining to Subsidiary Companies u/s 212(8) of the Companies Act, 1956

Contents	Rs. Lacs				
	Artemis Health Sciences Pvt. Ltd.	Artemis Medicare Services Pvt. Ltd.	Artemis Mediequipments Pvt. Ltd.	Artemis Life Sciences Pvt. Ltd.	Artemis Medical Institute & Hospitals Pvt. Ltd.
Share capital	1,151.00	1,201.00	1.00	1.00	1.00
Reserves	4,982.13	4,677.85	(0.17)	(0.65)	(1.02)
Total assets	7,031.43	9635.32	1.00	1.00	1.00
Total liabilities	7,031.43	9,635.32	1.00	1.00	1.00
Detail of investments (other than investment in subsidiary companies)	-	-	-	-	-
Turnover (including other income)	-	17.77	-	-	-
Profit/(Loss) before taxation	(17.79)	(67.85)	(0.57)	(0.51)	(0.87)
Provision for taxation	-	(0.56)	-	-	-
Profit/(Loss) after taxation	17.79	(68.41)	(0.57)	(0.51)	(0.87)