



PTL ENTERPRISES LIMITED

“PTL Enterprises Limited 62nd Annual General Meeting Conference Call”

August 03, 2023

Management:

Mr. Onkar Kanwar, Chairman
Mr. Neeraj Kanwar, Non-Executive Director
Mr. B.K. Singh, Independent Director
Mr. Harish Bahadur, Non-Executive Director
Mr. Sunil Tandon, Independent Director
Mr. U.S. Anand, Independent Director, Chairman of the Audit and
Nomination & Remuneration Committee
Mr. Tapan Mitra, Independent Director
Mr. Sonali Sen, Independent Director
Mr. Amarjeet Kumar, CFO,
Mr. Pradeep Kumar, Company Secretary

Moderator: Dear members of PTL Enterprises Limited, good afternoon and welcome to the 62nd AGM of the company held through VC. For the smooth conduct of the meeting, members will be in the mute mode. For members who had pre-registered to speak at the meeting, the audio and video will be opened when they have to speak. Please note that as per the requirements, the proceedings of the AGM will be recorded, and the transcript will be available on the company's website. The statutory registers required to be there during the AGM for inspection are available on the NSDL website.

Now let me hand over to the Chairman, Mr. Onkar Kanwar. Thank you and over to you, sir.

Onkar Kanwar: Thank you very much. Good afternoon, dear members. As the requisite quorum is present, I declare the meeting as validly convened. Let me now introduce the Board members. Neeraj Kanwar, Non-Executive Director. Mr. BK Singh, Independent Director. Mr. Harish Bahadur – Non-Executive Director, Mr. Sunil Tandon, Independent Director. Mr. U.S. Anand, Independent Director and Chairman of the Audit and Nomination and Remuneration Committees. Mr. Tapan Mitra, Independent Director and Ms. Sonali Sen, Independent Director, Amarjeet Kumar, CFO, Pradeep Kumar, Company Secretary and the representative of the Statutory Auditors and Secretarial Auditors all are attending the meeting.

Moderator: Thank you, sir. We request Chairman to address the members.

Onkar Kanwar: Good afternoon, ladies and gentlemen, esteemed shareholders, my colleagues on the Board, distinguished ladies and gentlemen, good afternoon to all of you. On behalf of all the PTL Board members, the PTL team, I would like to welcome you to the 62nd Annual General Meeting of PTL Enterprises Limited. Thank you for joining us today, taking part of this annual event of the company. We hope and your families are healthy and safe. The company's integrated Annual Report for the year ended by May 31, 2023, along with the Board and the Auditor Reports have already been circulated to you.

With your permission, I would like to take them as read. In the year 2022 and 23, we saw a period of immense geopolitical economic instability. Ongoing conflict between Russia and Ukraine, coupled with the heightened tension on global stage, has significantly disrupted the smooth functioning of our global supply chain. Furthermore, inflationary pressure, particularly in the developed markets have posed significant challenges.

Looking ahead to the year 2023-24, I see the global economic landscape carrying considerable downside risks. Projections indicate that global GDP is expected to grow at a modest rate of 2.9%. However, amidst this uncertainty, there is a glimmer of hope in India. India stands as a beacon of optimism. Despite prevailing circumstances, India's overall growth remains robust. In fact, according to a second advance estimate recently released by the Ministry of Statistics and Program Implementation, it is anticipated India's GDP will grow by 7% for the fiscal year 2023.

This achievement re-establishes our position as the fastest growing major economy, shining brightly amidst the challenging global paranoia. Despite the challenging global environments and high inflationary pressure, Indian auto industry ended financial year 22-23 on a positive note. Even as it broke into the top three largest car markets in the world, led by robust economic activity and increased mobility, the overall automobile domestic sales grew by 20% in the financial year 22-23. The industry recorded its highest passenger vehicle sales, with a spectacular growth of 27%, mostly aided by strong demand for sports utility vehicles, demonstrating tremendous resilience and strong market demand.

The passenger vehicles' domestic sales for the fiscal year rose to 3.9 million units from 3.1 million units a year ago. The commercial vehicle sales volumes surged to 0.9 million units in financial year 22-23 from 0.7 million unit in previous fiscal. Urban demand, festival sales, offer and pre-buy due to BS6 phase 2 transition helped in increasing the overall volume of passenger vehicles and commercial vehicles.

Despite supply chain challenges, semiconductor chip shortage, the [inaudible 0:05:50] demand in India is expected to grow stronger in view of the rebounding economic activity and big push by the Government of India for infrastructure growth in the nation. Industry has completed investment of INR35,000 crore in the last three years in new capacity addition and debottlenecking, spanning across all key tyre segments with major beneficiaries being truck and bus radials and passenger car radials, tyres manufacturing.

During the current year ended March 31, 2023, the company recorded a total income of INR68.5 crore as compared to INR67.4 crore during the previous year ending March 31, 2022, net profit after tax for period is INR23.3 crores. During the previous year, the Honorable Supreme Court had held that this income received by company from Apollo Tyre Limited is liable to be taxed under income from other sources and not under head business income and consequently disallowed reduction of certain business expenses, income tax provision impact for these years, financial year 2003 and 2004 and 2008 to 2009 was taken in financials during the previous year, March 31, 2022.

During the current year, ending March 31, 2023, the Income Tax Department passed assessment order for subsequent period financial year 2009-10 and 2011-12, holding that the lease income of the company is liable to be taxed under head income from other sources and disallowed certain expenses. The company has filed appeal before Appellate Authority for such order. Based upon the discussion with the company's tax advisor, the company is confident of a favorable decision from a higher Appellate Judicial authority.

However, on prudent basis, the company has made an appropriate income tax provision during the reporting financial year. Your director has recommended a final dividend of 175% INR1.75 per equity share for the financial year 2022-23. Dividend will be paid with a stipulated time to all the shareholders. You will be glad to note that your company equity holding of Apollo tyre has further increased from 1.66% to 1.69% during the financial year under review.

The market value of the investment as of March 31, 2023, was INR343.74 crore as against investment of INR188 crore. I am delighted to say PTL is committed towards inclusive development and strengthening the commodities we operate in. The company has voluntarily adopted the Business Responsibility Sustainability Report for the financial year 2022-23. The company's CSR strategy focuses on combining corporate goals with national and sustainable development goals.

The strategy is to enable inclusive growth by building on key partnerships and linkages to optimize existing resources in reaching out to a greater number of beneficiaries. The CSR initiatives of PTL are undertaken in Kottayam region, Kerala. The company has spent INR1.10 crores in the financial year 2023 for CSR activity. I would like to offer my sincere thanks to every stakeholder of the company for their continuous support to the management as well as to our employees, Directors and stakeholders for their valuable contributions.

During the year under review, I would like to express our gratitude and thanks to the State and Central Government for their support and encouragement. I wish all of you the very best for your health and continued well-being. Thank you.

Moderator: Thank you. We now request the Chairman to proceed with the agenda.

Onkar Kanwar: Thank you. I will just now explain the objective and implication of the resolutions. Notice along with the Board Report and Audited financial statements have already been sent to the members. I take them as read. The Auditor's Report on financial statements and Secretarial Audit Report of the company for the financial year ending March 31st, 2023, do not contain any qualification, reservation, adverse remark or disclaimer.

Accordingly, reports are not required to be read out as provided in the company acts. Now I will explain the objective and implication of each item of the notice. Item number one relates to the adoption of audited financial statements, report of the Board and Auditors thereon by the members of the company. After your approval, the same will be taken on record. Item number two relates to declaration of dividend to the members. The Board has recommended a dividend of INR175 per equity share, which has to be approved by the members after approval payment will be made within stipulated time. Being interested, I request Ugar Sain Anand to explain the objective and implication of item number three. Over to you, sir.

Ugar Sain Anand: Good afternoon, members. Item number three relates to the reappointment of Mr. Neeraj Kanwal as he is retiring by rotation. After your approval, he will be reappointed. Thanks. Now I request Chairman to take over.

Onkar Kanwar: Item number four relates to the reappointment of Mr. Sunil Tandon as an Independent Director of the company for a second time, for terms of five years, with effects from February 5th, 2024. After approval, he will be reappointed. Item number five relates to the appointment of Mr. Tapan Mitra as an Independent Director of the company for a second term of five years in effect from May 9, 2024. After approval, he'll be reappointed.

Item number one to five of the notice have been voted for the members through remote e-Voting from July 31, 2023, to August 2, 2023. Members present at the meeting who have not

done remote e-Voting can now cast their vote using e-Voting platform of NSDL. M/s RSMV & Co, Practicing Company Secretary, as the Scrutinizer for the voting process. I request for the question speakers from the member who are registered in advance.

Moderator: Thank you, sir. We will unmute the members and request them to limit their questions up to two minutes. We now invite speaker shareholder number one Ruchika Chopra. Please accept the prompt on your screen, unmute your audio and video and proceed with your question. Please restrict your questions to a time limit of one minute to two minutes. Ruchika Chopra, we request you to please unmute your audio and video and proceed with your question. Yes, please proceed. Please unmute your audio.

Ruchika Chopra: Good afternoon, respected Chairman sir, Board Members. First of all, I would like to take the opportunity to express my gratitude towards your exemplary leadership and your guidance, which has led the company to the remarkable success. Your ability to navigate companies through challenging market conditions and seizing opportunities is really commendable. Sir, you have doubled the wealth of shareholders, no doubt, in span of two years by taking wonderful actions like splitting of shares and paying dividend that is really recommendable, sir. But I'll certainly say that we have got very less dividend, but we are hoping positively, and we have full faith in your leadership and visionary guidance. We are excited to continue our journey of guidance and looking forward positively. So, I'll just request you, may I audible sir?

Moderator: Yes, you're audible.

Ruchika Chopra: Yeah, I'll request you sir and Neeraj sir as I requested last year as well. Sir, please look into the matter for increasing provision for lease rent and because you people are on the Board of Apollo Tyres as well that is the only question and I have few small questions which I will be talking to CA CS of the company. So, thank you so much. It's really good to see you all sir. Thank you.

Moderator: Thank you. I would like to inform that a few speaker shareholders who had registered but have not connected. We will now invite the next speaker shareholder Mr. Manish Sohal to please unmute your audio and proceed with your questions. Please limit your questions to a time limit of one minute to two minutes.

Manish Sohal: Good afternoon, everyone. Am I audible?

Moderator: Yes, you are.

Manish Sohal: Good afternoon, everyone. First of all, sorry my internet is not working properly, so I'm not able to on my video. I hope that's not a problem.

Moderator: No issues, you can proceed sir.

Manish Sohal: Right. Thank you. First of all, thank you for giving me the opportunity to speak in the AGM and put forward my point of view. I would like to seize this opportunity and would like to ask about the Corporate Social Responsibility effort done by the company. But firstly, I would like to appreciate Chairman sir for voluntarily adopting the business responsibility and

sustainability report, even if it is not applicable to us, because this shows that our commitment towards the society and the stakeholders. I really appreciate this tip.

And lastly, thank you for considering my question. And I really want to -- I'm very excited to learn about the company's commitment towards CSR. Thank you.

Moderator:

Thank you. We now request Nanda Kumar D to please accept the prompt on your screen, unmute your audio and video and proceed with your questions. Please restrict your questions to a time limit of one minute to two minutes. Nanda Kumar, we request you to please accept the prompt on your screen, unmute your audio and video and proceed with your question.

Nanda Kumar D:

Respected Chairman, Ms. Onkar Kanwarji, Non-Executive Director, Mr. Neeraj Kanwarji, members of the Board of Directors of PTL Enterprises, my dear fellow shareholders, a warm good afternoon to all of you. I understand that there are many shareholders registered to speak, so let me come straight to the points I want to make without digressing. Kindly listen to them without any prejudice. You may please recall that at the AGM of PTL Enterprises six years ago at Bolgatty Palace, Cochin, I made a proposition. It was to utilize the surplus profit of the company after distribution of dividends to buy shares of Apollo Tyres.

I thank the board and especially Omkar Kanwarji and Neeraj Kanwarji to accept my suggestion and years back, now we hold a considerable number of shares of Apollo Tyres. Years back Apollo Tyres were the holding company of Premier Tyres Limited. Today it is the other way around. PTL Enterprises is one of the holding companies of Apollo Tyres owning 1 crore 75 thousand shares of the latte. Harish Bahadurji is smiling because it was to him only, I first muted this suggestion. He told me to raise it in the AGM and in the Bolgatty Palace. I still miss you Omkar Kanwarji in Cochin. It would have been much nicer had we been meeting personally.

Today, we have a 1 crore and 75,000 shares of Apollo Tyres PTL is holding. In other words, this is approximately 8.12 shares of Apollo Tyres for every 100 shares of PTL Enterprises and the interesting part is the price of this, the market current market price of this 8.12 shares of Apollo Tyres is more than the price of 100 shares of PTL. The holding companies market capitalization right now is less than the value of the shares of Apollo Tyres we are holding.

I thank Omkar Kanwarki, Neeraj Kanwarji, Harish Bahadurji for accepting my suggestion. You might also have thought about this before I suggested. Sincere congratulations for successfully implementing this suggestion, way more effectively than what I had in mind when I made it. Kudos to the Chairman and the management team for the brilliant strategy.

This year I have three specific suggestions. Without digressing, let me come straight to them. First suggestion, many shareholders and I have been pleading for the last five years, six years in the AGMs for an enhancement in the lease rental. Sir, please recall that in the AGM last year, which is in the AGM of 2022, Onkar Kanwarji had promised that once the capex cycle of Apollo Tyres is over, we will definitely consider this. So, my request to you, sir, considering the long duration, I think it is more than six years since the last enhancement was made, considering the long duration, I think it is only just unfair that it is enhanced to double what it

is today, that is INR120 crores per annum, it's a very reasonable figure, we should actually double it considering that the last enhancement was long back. That is my first suggestion.

My second suggestion also is you please consider favorably. Since our major income is the lease rental from PTL, I mean Apollo Tyres, there is certainty in the flow of cash. Profitability is certain. Every quarter, one quarter of the lease rental we are receiving. My request, like companies like TCS and HUL, Hindustan Unilever, why don't we consider interim dividends every quarter rather than paying INR2 at the end of the year, why don't we consider paying 50 paise interim dividend every quarter? That will be very much a blessing for retired people like me.

At the same time, promoters also will have a continuous stream of income after every AGM. So, I understand there is a Board meeting in the coming week. Please consider this and declare a dividend of 50 paise -- interim dividend of 50 paise in the forthcoming Q1 FY22 Board meeting.

Now, my third suggestion also is a win-win. It is to unlock the value of shares of Apollo Tyres we hold similar to the way Reliance Industries unlocked the value of geo-financial technologies recently. If shares of Apollo Tyres are distributed among shareholders of PTL enterprises on a proportionate basis, everyone will benefit. For example, Sunrise Properties and Investment Company will immediately receive 75 lakh shares of Apollo tyres without paying a single rupee. 75 lakh shares of Apollo will be directly added to the share of Apollo Tyres held by Sunrise Properties, an investment company.

So, the holding of Sunrise will increase from the current level of 31.83% to 33%. Idea is, moreover, this will simplify the holding structure. Rather than having crossholding, this will simplify the holding structure plus, more than that, it will be much more tax effective. Onkar Kanwarji detailed about the tax problem. The income tax people are dividend income is taxed in our hands; plus, the dividend we pay also is taxed with the shareholders. So, multiple level taxation is there for the holding company. So, rather than Apollo being held by Premier Tyres, let Apollo be held by the shareholders of PTL. That is my third suggestion.

These are my suggestions. I will not take more of your time. Anyway, thank you very much. This is the 25th AGM or 26th AGM I am attending. Apollo, I have attended almost 40 AGMs. So, it is always nice to see you people. You have, in fact, enhanced our wealth. My thankful, best wishes to the Chairman, Onkar Kanwarji, Non-Executive Director, Mr. Neeraj Kanwarji, Harish Bahadurji, thank you. I thank you for steering the company to levels of excellence. I also thank you for giving me an opportunity to speak and offer suggestions at the AGM 2023.

Moderator:

Thank you. Thank you. We now invite the next speaker shareholder, Mayank Chadha, to please unmute your audio and proceed with your questions. Please restrict your questions to a time limit of one minute to two minutes.

Mayank Chadha:

Good afternoon, Chairman sir and Neeraj sir and other Board members. I want to express my sincere appreciation for your unwavering support and guidance. Your leadership has not only

propelled our company to new heights but has also provided a secure and prosperous future. Sir, I have a few questions.

First of all, sirs, thanks for unlocking the value of Artemis Hospital by demerging it from PTL and giving us the shares of Artemis Hospital. Under your exceptional leadership, our investment has increased 10 times in few years. I would like to suggest, if you please start manufacturing tyre in your own brand under your leadership, that will again help us in maximizing the wealth of shareholders.

And my second suggestion is -- second question is, since Artemis is part of PTL accordingly PTL shareholders should be given more discount for their treatment at Artemis Hospital, sir.

Moderator: Thank you. We now invite Pramod Kumar Jain to please accept the prompt on your screen, unmute your audio and video and proceed with your questions to a time limit of one minute to two minutes. We will wait for Pramod Kumar Jain to unmute his audio and video.

Pramod Kumar Jain: Namaskar I am Pramod Kumar Jain from Delhi. I thank the Chairman, Board of Directors and the Secretarial Department for giving me the opportunity to speak in this AGM. I also thank the prestigious sub-institution. Chairman sir, you have told us about the company's present and future in your opening speech. There is no need to ask much. I have complete faith in your leadership. In the coming years, our company will grow and reach new heights. I have complete faith in you. Namaskar.

Moderator: Thank you. We now request Somesh Sharma to please unmute their audio and proceed with a question. Please restrict your questions to a time limit of one minute to two minutes. You may go ahead please.

Somesh Sharma: Yes, good afternoon, Chairman sir, Neeraj sir and Harish sir and all the Board members. First of all, I would like to thank for giving me such opportunity. Sir, I have been associated with the company for quite a long time and I have closely observed the strategic decisions and actions taken by the management. I am truly impressed by the results achieved under your guidance. So, sir, can you please explain why the profits of the company is not increasing and what steps are we taking for the tax matters.

And further I would like to make a request that we should take the consultancy from the income tax matters from the senior renowned tax consultant who can help us and guide us to put forward our point of view before the income tax authority.

And secondly, as also pointed out by fellow shareholders, I would also suggest we should have an incremental close on a yearly basis in the lease agreement. Thank you so much. Thanks for the opportunity.

Moderator: Thank you. We now request the next speaker shareholder, Shashi Kiran, to please unmute your audio and proceed with your questions. Please restrict your questions to a time limit of one minute to two minutes. Shashi Kiran, you may unmute and proceed with your question. Shashi Kiran, a line has been unmuted from our end. Please proceed with your questions. As there is no response, we'll move to the next speaker shareholder, Anubhav Talwar.

We request you to please accept the prompt on your screen, unmute your audio and video and proceed with your question. Please restrict your questions to a time limit of one minute to two minutes. Anubhav Talwar, we request you to please accept the prompt sent by us. Unmute your audio and video and proceed with your question.

Anubhav Talwar:

Good afternoon, Chairmen and Neeraj sir and other Board members. Good to see you in good health. And you are an inspiration to all of us and a big role model for us. Last year, I had requested to the Company Secretary to send my request to you to unlock the value of river side vacant land by giving it to Apollo Tyres on lease at a higher lease rental or we can build some hotel or commercial complex to increase the revenue of the company. This is my first question or a suggestion as you may like.

Secondly, the profit of the company has been reduced due to prior income tax charges, as you have also highlighted in your speech. Are we taking some advice on this so that we can minimize the impact of the tax liability that is my second question. Thank you so much, sir. Hope to see you next year.

Moderator:

Thank you. That was the last question. We request the Chairman to answer the questions now.

Onkar Kanwar:

Thank you very much. I appreciate the question which has been raised. First is Ruchika Chopra. First of all, I'd like to thank you very much for the compliments for the company you've given. And as far as lease rental is concerned, we'll certainly put up the matter to Apollo Tyre and depending on the Board, see what we can do. Your point is well taken, and we certainly consider that.

As far as Manish Sohal has said about sustainability, I think we as a company feel responsible that we must do something for our planet. So, what we are doing is in various factories trying to see how we can reuse water and how can we save money on reduce our carbon prints by using different methods and reduce the usage of energy. Simultaneously, we are trying to see how we can put a lot of greenery around this. So that's some advantage comes by putting on many trees. So, these are some of the initiatives we have taken. We have a full-fledged department, which is really looking into these things and trying to see how we can play our role so that we are concerned about the planet and the people. It's very important for us to see that we do our job.

Next is Mr. Nanda Kumarji. I once again, I want to thank you very much for your compliments. As far as visit of Cochin is concerned, I agree. We have not been able to come because of this COVID. We have been having regular meetings and I know we are missing you all. So, I hope in the future, whenever an opportunity comes, we certainly consider having meetings there. As for increased rental is concerned, this point was raised by another speaker.

We certainly, like I said, this matter has to go to the Apollo board and like you have said very rightly, they have put a lot of investments first, and they want to see how they can utilize their assets and bring more returns before they can consider any further rental increase. But I will take your point and keep that in mind and at an appropriate time, we'll certainly request them to consider this.

Now, interim dividend, in fact, you see, we are giving a good dividend every year. So interim dividend point has been made, but the kind of money we are getting, we are distributing most of the money. It's not that we are holding back. On the contrary, one of your members mentioned that Artemis, Artemis also given this year the dividend, you are getting dividend from Artemis, as well as from [inaudible 0:32:34]. So, you're getting two dividends instead of one dividend. And also, you will see the appreciation of the capital, especially in Artemis, which were given to your equal shares.

So, I think as far as that is concerned, I'm sure you'll be very happy, but we'll see as far as the interim is concerned, I don't think at the moment it is advisable because we had to keep that in mind that we have this liability and we are taking proper tax advice from tax advisors to say what can we do, how we can go to the court and see that this, that you have -- I have said in my speech that we have gone to the Appellate Authority. So, hopefully we should be able to get some kind of a relief.

Now, as far as another point was made, why can't we make it in our own brand? You see when you make anything on your own brand, you'll have to create a separate marketing setup. And then whatever money we're making, we'll not be able to make that. Apollo has a very strong brand and today's the brand which makes you, you can sell the products. You know fully well, it is a brand, brands are there, and Apollo has put in a lot of money in creating a brand and their technology. So, it's very important that we continue with their brand. As far as discount is concerned, I'd like to look at it.

You addressed this point of discount in the hospitals. We'll see what can be done. Often, I can't answer you that point and river side land, we've already applied and trying to take up with the government for last few years, but somehow Kerala is a very interesting country. Not easy to get any clearances. I mean, I can only say I have approached the ministers, I met the Secretaries, but so far we have not been able to get any clearance, but point is well made, we are very keen ourselves, we can get the site, we utilize it, and can create additional income.

I think most of the point I have covered, and I'd like to thank all the shareholders once again for asking very good questions and attending the meeting and wish you all the best and have good health and please stay safe. Thank you.

Harish Bahadur:

Thank you sir.

Moderator:

Thank you, sir. The members who have not cast their vote can still cast their votes using e-Voting platform of NSDL until 15 minutes from now.