

**PTL ENTERPRISES LIMITED**  
FORMERLY PREMIERTYRES LIMITED

# “PTL Enterprises Limited 59th Annual General Meeting Conference Call”

**September 22, 2020**

**PTL ENTERPRISES LIMITED**  
FORMERLY PREMIERTYRES LIMITED



**MANAGEMENT: MR. NEERAJ KANWAR – CHAIRMAN OF THE MEETING  
MR. HARISH BAHADUR, NON-EXECUTIVE DIRECTOR.  
MR. B.K. SINGH, INDEPENDENT DIRECTOR,  
MRS. SONALI SEN – INDEPENDENT DIRECTOR,  
MR. U.S. ANAND – INDEPENDENT DIRECTOR,  
MR. TAPAN MITRA – INDEPENDENT DIRECTOR,  
MR. SUNIL TANDON – INDEPENDENT DIRECTOR,  
MR. PRADEEP KUMAR – COMPANY SECRETARY  
MR. ANIL KUMAR SRIWASTAWA – CFO**

**Moderator:** Dear members of PTL Enterprises Limited. Good afternoon and welcome to the 59th AGM of the Company held through VC. For the smooth conduct of the meeting, the members will be in the mute mode. For members who have pre-registered to speak at the meeting, the audio and video will be open when they have to speak. Please note that as per the requirements, the proceedings of the AGM will be recorded and available on the Company's website. The statutory registers required to be there during the AGM for inspection are available on the NSDL website. In the absence of Mr. Onkar S. Kanwar, Chairman – the Board of Directors present at the meeting, have unanimously elected Mr. Neeraj Kanwar as Chairman of the meeting. Now, let me hand over to Mr. Neeraj Kanwar, Chairman of the meeting. Over to you sir.

**Neeraj Kanwar:** Thank you. Good afternoon, dear members. Hope you're all safe and healthy. As the requisite quorum is present. I declare the meeting as validly convened. Mr. Onkar Singh Kanwar – Chairman is not attending the meeting due to his preoccupation.

Let me now introduce the Board members. I have Mr. Harish Bahadur – Non-Executive Director, Mr. B.K. Singh, Independent Director, Mrs. Sonali Sen – Independent Director, Mr. U.S. Anand – Independent Director, Mr. Tapan Mitra – Independent Director, and Mr. Sunil Tandon is also the Independent Director, Pradeep Kumar – Company Secretary, Anil Kumar Sriwastawa – CFO and the representatives of Statutory Auditors and Secretarial Auditors are also attending the meeting. Thank you.

**Moderator:** Thank you. We now request the Chairman to address the members. Over to you sir.

**Neeraj Kanwar:** So once again, Good morning ladies and gentlemen. It gives me great pleasure to welcome you to the 59th Annual General Meeting of PTL Enterprises Limited. The Company's annual accounts for the year ended March 31st, 2020 along with the directors and auditor's report, corporate governance report and management, discussion and analysis have already been circulated to all of you. With your permission, I would like to take them as read. I would have very much like to meet and address you in person. But as you know, we are holding this meeting over a virtual platform due to the prevailing unprecedented circumstances. I would like to thank you for sparing the time to joining us today from wherever you are and for your continued faith in PTL and its management. And, I hope you and your family members are healthy and staying safe and continue to adhere to their respective governments guideline and taking all necessary precautions. This is the only way we can beat the Coronavirus. So please, humble requests stay safe stay secure.

The Indian economy began on a very optimistic note for financial year 2019-20. Financial year 18-19 had closed registering a growth of 6.7% and there were clear expectations that the economic powerhouse would have a higher GDP growth rate for financial year 19-20. However, as the year progressed, it was evident that the forecast was far moved from the realities faced by the country. And the slowdown continues to haunt each one of us even in the current financial year. The first quarter of the financial year has seen lockdowns being imposed

across the country to save us from the dreaded COVID-19 pandemic. The effect has been an unprecedented closure of industries and markets, forcing the rules of the economy to a standstill. Except for agri, almost all the corners of the economy were really **(Inaudible) 4:09** India's April to June quarter GDP contracted by a massive 24% year-on-year, the first GDP contraction in more than 40 years. GDP estimates for India in 2020 had already painted a very bleak picture. The World Bank has projected 3.2% contraction while the IMF at 4% and the Asian Development Bank at 4%.

In hindsight financial 19-20 might seem like a better year, though something which the auto segment is not likely to forget in a hurry. The sector has been facing a long slowdown with the unit growth in financial year 18-19 being largely led by the high volume, three wheeler and two wheeler categories which grew 49% and 16.5% respectively over the previous year. However, for the financial year 19-20. All the three categories were in the negative growth zone. The auto industry has been asking for some booster since the beginning of the financial year, without any stimulus along with over consumer sentiment, increased cost of ownership due to higher insurance costs. Higher financing costs due to the NBFCs liquidity crisis, no relief on high GST, increase vehicle prices due to the BSVI upgrade and stringent safety norms only added to the **wars 5:42** of the tyre industry.

The results, overall industry sales fell nearly 18%. The auto industry, I would especially like the Atmanirbhar Bharat young initiative or the Central Government under the guidance of the honorable Prime Minister, Shri Narendra Modi, which is to revive every sphere of the economy from demand, supply to manufacturing and make India self-reliant to sustain and tackle any disaster. The domestic tyre industry was given meaningful relief from the flood of unfairly priced, poor quality imports that were distorting the domestic market. With the need for license imports now, the government has ensured that only quality products not available domestically can be imported. I'd like to take this opportunity on behalf of the entire industry to thank the government and the honorable Prime Minister and assure them that we will repay it's fate by significantly increasing production, jobs and exports in the years ahead. As a manufacturing facility of the Company continues to be leased out to Apollo Tyres. Therefore, your Company's protected from direct adverse impact of COVID-19.

Your Company recorded a gross total income of Rs.66.79 crores during the year ended 31st March 2020. The net profit after tax for the year stood at Rs.43.94 crores previous year was 39.85 crores. Your directors have approved payment of interim dividend of 125% which is Rs.2.5 per equity share of Rs.2 each over the financial year 2019, 2020 which they are recommending you to confirm it as a final dividend for the financial year 19-20. Further, I'm happy to say that your Directors have approved payment of interim dividend of 125% IE Rs.2.5 per equity share of Rs.2 each for the financial year 2021, which you must have received by now. You'll be glad to know that your Company has acquired 1.45% stake in Apollo Tyres, this investment would yield good returns in the future. I would also like to inform you that your Company has received 80% of compensation with interest aggregating to Rs.28.61 crore from Kochi Metro Government of Kerala against the acquisition of companies 1.6 acre land, the balance 20% of compensation amount is still due, which we hope will be received

shortly. Finally, I would also like to express our gratitude and thank every member and employees of the Company for the commitment, enthusiasm and unstinting efforts, as well as to all our stakeholders for the valuable support during the year under review. I would like to end with offering my very, very best wishes to all of you for your health and stay safe,thank you.

Now, let me read the notice along with the Board's reports and auditor's reports that have already been sent to the members, I take them as read. Now, I'll explain the objectives and implications of each item of the notice. Item #1, relates to the adoption of the audited financial statements the report of the Board of Directors and all the auditors there on, by the members of the Company. After your approval, the same will be taken as record.

Item #2 relates to the confirmation of interim dividend of Rs.2.5 per equity share already paid during the year as a final dividend for the financial year 19-20. After your approval the interim dividend paid during the financial year will be confirmed and treated as final dividend.

Item #3 relates to the reappointment of Mr. Harish Bahadur, who is retiring by rotation and being eligible offers himself for reappointment. After your approval he will be reappointed.

Item #4 relates to the reappointment of Mr. Birendra Kumar Singh as an Independent Director,after your approval he will be reappointed as Independent Director for a second term of five years from August 10, 2020 to August 9, 2025.

Item #5 relates to appointment of Ms. Sonali Sen as an Independent Director after your approval she will be appointed as an Independent Director for a period of five years from May 19, 2020 to May 18, 2025.

Item #6 relates to appointment of Mr. S. Sujith as a Manager as for the provisions of Companies Act 2013. After your approval he will be appointed as a manager for a period of five years from August 11, 2020 to August 10, 2025.

All item number one to six of the notice have been voted by the members through remote e-voting from September 19 to September 21, 2020. The members present at the meeting who have not done remote e-voting can now cast their votes using the e-voting platform of NSDL. Mr. Manoj Sharma practicing Company Secretary will act as a scrutinizer for the voting process. I request now to take the questions from speaker members who have already registered in advance. Thank you.

**Moderator:**

Thank you so much sir. We will unmute the member and request them to limit their questions up to three minutes. Give me a moment while I allow the speaker shareholders to come online. We now invite the first speaker, shareholder Ruchika Chopra. Ma'am, you may go ahead please.

**Ruchika Chopra:** So first of all, on behalf of all the shareholders, I would like to appreciate Company for paying dividend consistently last previous financial years, and especially for interim dividend you have just declared in this COVID situation. So, I have two questions for the Company. My first question is can we expect dividend for financial year 2020, it will be final dividend and my second question is, what is the status of Kochi metro land case, have we received the entire compensation and how we will be utilizing that amount in the Company. So that's our two questions. Thank you so much.

**Moderator:** Thank you so much. We now invite the next speaker shareholder Mr. Anubhav Talwar. Please restrict your question to a time limit of three minutes. You may go ahead sir. We move on to the next speaker shareholder. The next speaker shareholder is Nanda Kumar D, you may go ahead please.

**Nanda Kumar D:** Respective Chairman of AGM of PTL Enterprises Ltd., Neeraj Kanwar, Executive Director. Harish Bahadur other members of the Board of Directors, my fellow shareholders a very good afternoon to all of you. The AGM of PTL, I am talking from Cochin the AGM of PTL Enterprises is one of the events of the long time shareholders look forward to in Cochin. This year, in fact we are missing it but, I am grateful to the Company for arranging this conference on video. Really, I'll touch upon the points very briefly at the outset as an OEM shareholder of the Company as a well-wisher of PTL and customer of Apollo Tyres. I would like to thank the Chairman and the Board of Directors for the interim dividend. But as the first speaker mentioned here, my request to you this year, it was a real blessing for the shareholders because during COVID pandemic getting an interim dividend that to a very decent amount was really helpful but my request to you is at the end of the fourth quarter you please consider that some of the dividend you make it, you should not say that this is the final dividend. Please declare something more this year that is my request to you. Of course it is subject to availability of funds. My second point is I would like to express my gratitude to the management of PTL for accepting my suggestion in the last AGM, Neeraj maybe you remember that in the last AGM, I suggested that we should buy more shares and I request that we should continue doing so, whenever the market is ripe, when the price is down please keep on buying shares of Apollo Tyres, I am sure it will add long term value to the Company. Then coming to my third point, I am really glad as the first speaker mentioned that we have received money against the land we sold to Kochi metro, more of we received this as reiterated our unconditional ownership of the land that is something I consider more important than the money we got now. We have got land a precious real estate land in Cochin, I have told this even in earlier meetings also practically we have a built in metro station in our premises. And this land is accessible very easily from the railway station as well as the airport. My suggestion, why don't we unlock the value of this, we are running an industrial unit there may not be the best possible way of utilizing this land. This is a suggestion and this industrial establishment can be shifted to other places earlier, we tried that but there were objections of the Union, but I believe going forward the union's may not be back among the opposing such a move. So my humble request to the management and Neeraj is that, please explore the possibility of utilizing this most precious real estate property available in Cochin. Then coming to the fourth point very fast is that, this also I expressed it the last AGM this place was known

as Apollo junction. In fact Kalamassery Junction I stay there very close to our premises the Kalamassery Junction was known as Apollo junction and that was giving us a lot of branch mileage, people used to say a Apollo junction, but now when the metro station has come there, they have changed the name to KalamasseryTown Station, but there are other stations like Federal Bank Aluva Stations, **(Inaudible)17:51** some of the two stations and I believe if we approach the metro maybe we have to pay some minor fees to them. So that this station can be named as Apollo Kalamassery Station believe me sir, this will give us a lot of mileage it will be worth the money spent if at all and any money is required, because it is free advertisement our own metro station and which will be called as Apollo Kalamassery Metro Station. So please make an effort to explore the possibility of doing this. Then fifth request also I have made in the last AGM, we have a lease rental agreement with Apollo Tyres whereby we periodically personal **(Inaudible)18:30** but this year I am not insisting because it is COVID pandemic Apollo Tyres also may not be, maybe struggling with that. But from next year onwards there should be an escalation clause by which automatically the lease rental will be renewed every year, rather than entering into the fresh agreements now and then. Say 10% escalation every year for the lease rental and thank you for giving me this opportunity as a loyal and proud shareholder of PTL. I once again thank and Neeraj please communicate our best wishes your dad also, we really miss Mr. Onkar converging. And next year, I look forward to meeting all of you in Cochin, I have been attending AGMs of Apollo and PTL right from the time of your grandfather Neeraj and I hope to attend meeting properly chaired by your son also. Thank you once again, stay safe and I wish everyone a safe year ahead. Thank you.

**Moderator:** Thank you, sir. We have the connection for Mr. Anubhav Talwar connected. We now invite him again. Mr. Anubhav Talwar you may go ahead.

**Anubhav Talwar:** I am Anubhav Talwar a shareholder of the Company. I would like to thank the Board of Directors and the Company Secretary for giving me the opportunity to speak at the AGM. I appreciate the Board of Directors, the management, the employees for the performance of the Company during financial year 2019-20. While growing through the financials of the Company in the annual report, it seems the Company has leased some of its assets to Apollo Tyres Limited for an agreed fixed sum, and there is no increment in the lease rent, since the lease agreement executed, it was executed in the year 2018. Slightly looks on, so increment it is always there in lease rentals like housing, offices and commercial. My suggestion to the management would be to increase the lease rentals on yearly basis and to modify the lease agreement accordingly and my another question is as to why there has been a reduction in the tax expenses in the current year. Thank you.

**Neeraj Kanwar:** Okay. I will take on a few questions and then I will request you to reach Bahadur to answer a few.

**Moderator:** Sir, this is the operator here, sorry to interrupt we have the last question from Mr. Rangan. Mr. Rangan you may go ahead, I request you to go ahead now.

**Rangan:** See, I have got only two suggestions. See my previous shareholder Mr. Anubhav told that we have to move out from here. Then we will lose the lease center, and the lease center is already it was about three years back it was less amount and actually you have increased the amount actually. Just like your real estate only, real estate not everybody pays in every increase it is not possible. At least we are getting the amount Apollo Tyres is functioning very well. So it's a fixed income like that we are very happy about that. What the suggestion, about the Apollo brand and everything the railway station that is a very good suggestion we cannot rule that. Mr. Neeraj, son of Mr. Onkar you have taken over the Company the Apollo Tyres from 4.50 million to 2 billion, why can't you take our Company also in your Company, correct. So what my suggestion is that we are paying a lot of tax, why can you put up with some power projects or something like that, where you can get some direction and the taxation then you can supply it to Apollo Tyres. So, your first core concentration should be on the direction of the income tax, reduction and you have to create value, dividend is already doing a high bracket now we are paying very high. So you can think of even buyback probably it can go up to 75 only can go that. And you think of other ways of expanding like that, because that will be better actually because we have got the risk because we are paying heavy taxes, but we have no alternative but to pay taxes. So, I wish that you should take some risk and pay less dividend and create enhanced value for the shareholder and create market capitalization. The PTL is only hovering around that 42, 40 something like that. But I wish that you take up some good proposal, but we have got confidence, all the best things. Thanks.

**Moderator:** Thank you sir. As this was the last question, I hand it over back to the Chairman. Over to you, sir.

**Neeraj Kanwar:** Okay. So, I will try and answer some of the questions and I will ask Harish to answer the rest. Firstly, thank you to my fellow shareholders for asking openly and transparently all these questions. As far as metro is concerned, we have already mentioned to you that we will receive 28 crores, which is 80% of the full amount. It's a good suggestion to do the branding of the station as the Apollo Kalamassery Station and I would take that in the positive spirit. Yes, I am the one who put the Apollo junction and the stoplight in the outside the PTL plant. So, I'll be very happy to also look at this proposal and I will be talking to the marketing people to see whether we can do this and what is the implication on us as far as transferring the plant to and opening up this very premium land. As you already mentioned, we had tried this five, six years ago, but we got a lot of, negotiation with the unions and the unions did not allow us to do this. We would be very happy to unlock this premium land and that's our desire to take it to a rubber industry, which is in Ernakulam. But our hands are locked, but we will again try your suggestion with the unions and see if they are open to taking this to another area. As far as dividend, final dividend is concerned please understand that we are still living in a COVID situation, we don't know which way the economies are going to move. Currently, we are seeing the wave is still in India is at 95,000 to 100,000 cases a day. So we are very concerned, and we are going to, we are very open to giving dividend but provided obviously, the operations run smoothly for the next half of the year. And that is something which we cannot predict. We are living every month to try and see that we are able to at least take the boat along, take the people along we are at the end of the day we have a lot of employees and their

families that we have to look after. So our first interest is all our shareholders and our employees, and we will look at it very positively. Harish, I'll like you to answer the other points about the taxes reduction that has happened in the year and about the lease rental amount also please. Operator can you unmute Mr. Bahadur?

**Moderator:** Mr. Bahadur is unmuted sir. Mr. Harish you may go ahead.

**Harish Bahadur:** Most of the questions have been already addressed by Mr. Neeraj Kanwar either in his, in the Chairman speech and otherwise only one question is remaining that how come there is a reduction in the tax cost in the last financial year. So, in September 19, government of India came up with a proposal whereby, we could change the methodology to compute the tax computation. And we adopted that so, that gave us saving of 2.80 crores. But now since we have adopted that formula, so in future also we will have to go and live with this formula. So, that is the basic reason why they are saving in tax that's it. Thank you.

**Neeraj Kanwar:** Thank you. The other point that you also made was on looking at other ways of expansion and unlocking value. That's a very good suggestion, currently we will be looking at modernizing the plant, because now the plant is producing tyres for Europe and there are very stringent quality norms that are required to export to Europe. So our first love would be to upgrade and modernize the facility which we are doing as we speak. And if we do have surplus cash, we will look at other ways of new ideas like you suggested for power, that's a very good suggestion and we will take it. So, we have answered all your questions. And, I really thank you and appreciate for asking your questions. Thank you. So, thank you everyone, as we have carried all the items mentioned in the notice of the AGM. I'd like to thank all the participants who have attended the 59th, AGM of the Company. Thank you and all stay safe. God bless.

**Moderator:** Thank you sir. The members who not cast their vote can still cast their votes using the e-voting platform of NSDL and until 15 minutes from now. Thank you.