

PTL ENTERPRISES LIMITED

“PTL Enterprises Limited 60th Annual General Meeting”

July 15, 2021

PTL ENTERPRISES LIMITED



MANAGEMENT: MR. ONKAR KANWAR – CHAIRMAN
MR. NEERAJ KANWAR – NON-EXECUTIVE DIRECTOR
MR. B.K. SINGH – INDEPENDENT DIRECTOR
MR. HARISH BAHADUR – NON-EXECUTIVE DIRECTOR
MS. SONALI SEN – INDEPENDENT WOMEN DIRECTOR
MR. SUNIL TANDON – INDEPENDENT DIRECTOR
MR. TAPAN MITRA – INDEPENDENT DIRECTOR
MR. U.S. ANAND – INDEPENDENT DIRECTOR
MR. PRADEEP KUMAR – COMPANY SECRETARY &
COMPLIANCE OFFICER
MR. AMARJEET KUMAR – CHIEF FINANCIAL OFFICER

Moderator: Dear members of PTL Enterprises Limited, good afternoon and welcome to the 60th AGM of the Company, held through VC. For the smooth conduct of the meeting, members will be in the mute mode. For members who are pre-register to speak at the meeting, the audio and video will be opened when they 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. Now, let me hand over to the Chairman of PTL Enterprises Limited – Mr. Onkar Kanwar. Over to you, sir.

Onkar Kanwar: Thank you. Good afternoon, dear members. Hope you are all safe and healthy. Through the virtual AGM is a progressive step, as it allows members to participate from anywhere in India or abroad. However, I missed the privilege and pleasure of meeting you in person. As the requisite quorum is present, I declare the meeting is validly convened.

Let me now introduce the Board Members. Mr. Neeraj Kanwar, Mr. B.K. Singh, Mr. Harish Bahadur, Ms. Sonali Sen, Mr. Sunil Tandon, Mr. Tapan Mitra, and Mr. U.S. Anand. Pradeep Kumar, Company Secretary & CFO, and representative of statutory auditors and secretarial auditors are all attending the meeting.

Moderator: Thank you so much. We request Chairman to address the members.

Onkar Kanwar: Good afternoon, ladies and gentlemen. It gives me a great pleasure to welcome you to our 60th Annual General Meeting of the meeting through video conferencing. I hope you are in safe and good health. Due to the Coronavirus concerns, lockdown and social distancing norms, we are holding this Annual General Meeting through video conference. The company has taken the requisite steps to enable members to participate and vote on the **(Inaudible) 2:53** at this AGM. Registers as required under the Companies Act 2013 are open for inspection. Notice for the meeting and the company's accounts for the year ended 31st March 2021, have already been circulated to you. With your permission, I would like to take them as read.

I am thankful to you for joining the meeting. I hope you and your family members continue to take all safeguards, including vaccination, to protect yourself from the COVID-19 pandemic, which has killed lakhs of people across the world. The pandemic was not only a health crisis; it has far reaching implications on the global economy. The pandemic led to a sharp decline in the global trade, lower commodity prices, tighter liquidity conditions. The contraction in GDP seen in many countries, including India, was due to reduced economic activity and restricted mobility. Due to COVID-19, as people curtailed discretionary spending and focused on essential precautionary saving due to the level of uncertainty. The pandemic affected both demand and supply, at least in the short term. As lockdown eased across the world, economic activity gradually started to recover. According to the Economic Survey 2020-2021, the government adopted a four-pillar strategy of containment; fiscal, financial and long term, and structural reform.

India has good monsoon and Indian agriculture sector achieved record grain production and registered positive growth despite the Coronavirus pandemic. Rural consumption was stronger

than urban demand. The global economy contracted by 3.3% in the CY 2020. As all major economies, barring China, slipped into recession with COVID induced lockdowns. As per the data from Indian National Statistical Office, the country's GDP contracted by 7.3% for the year 2021, as compared to the growth rate of 4.2% of the fiscal year.

While India growth story faced huge challenges, the automotive industry also saw its fortunes tumble, and sharp up and down during the year. For the first half year of the financial year, Industry contracted and saw growth coming in from the third quarter. Auto sales rebounded from August 2020 onwards, and both two-wheeler and procedure vehicle shares growth has been positive since then. However, the automobile industry remained in the negative growth as it posted a 13.6% decline over its previous year.

The impact of the slow auto sales will have a direct impact on tyre sales. At times, sale of tyres in the replacement market as the industry to overcome the degrowth in the Original Equipment Manufacturer (OEM). However, the previous fiscal saw lockdown across the country, where consumer sentiments showed that the overall tyre industry posted negative growth. According to data released by ATMA for the year, industry has shown a decline of around 4% as compared to 2020.

While it has been a tough year for all of us due to pandemic, your company has weathered the pandemic very well and has emerged stronger. The facility of your company continues to be leased out to Apollo Tyres Ltd. Therefore, your company has been protected from direct adverse impact of COVID-19. Your company recorded a gross total income of Rs. 70.58 crores during the year ended 31st March 2021. Net profit after tax for the year stood at Rs. 70.4 crores, which includes the exceptional item of Rs. 29.35 crores; previously it was Rs. 43.94 crores.

Your Directors have approved a payment of final dividend of 125%, 2.50 per equity share of Rs. 2 for the financial year 2021. In addition to this interim dividend, Rs. 2.50 per equity share paid during the year, the total dividend for the financial year 2021 aggregates to Rs. 5 per equity share. You would be glad to know that your company has acquired further shares in Apollo Tyres from the open market, and your company's stake in Apollo Tyres is 1.59% as of date.

Looking ahead, the global economy is expected to see a rebound in 2021. The International Monetary Fund is expecting 6% growth, with U.S. stimulus and vaccine deployment. This optimism is leading to further opening up other economies around the world. The growth recovery is likely to be led by U.S. and China. U.S. is estimated to grow at 6.4% in the year 2021 and China by 8.4%. Governments and central banks are expected to maintain supportive policies until the recovery is firmly underway. Of course, the strength of recovery will depend on vaccine rollout and having effective strategy for new virus mutation.

The outlook depends not just on the outcome of battle between the virus and the vaccine; it also hinges on effectively economic policies deployed under high uncertainty and limits lasting damage for this unprecedented crisis. So, the war against COVID is far from over. But your

PTL family is confident that in the end we will prevail. We care for each member of our stakeholder family, including employees, shareholders and local communities.

I would like to conclude by expressing our gratitude and thank every shareholder of the company for their commitment, enthusiasm and continued trust in the management as to all our employees for the valued support in the year under review. I wish all the best to all of you for your health and continued wellbeing. Thank you.

Moderator: Thank you, Chairman. We now hand over to the Chairman for the objectives and implications of the resolutions.

Onkar Kanwar: Notice along with the Board reports and audited financial statements have already been sent to members, I take them as read. The auditor's report on financial statements and secretarial audit report of the company for the financial year ended March 31 do not contain any qualification, reservation, adverse remark or disclaimer. Accordingly, the reports are not required to be read as provided in the Companies Act 2013.

Now, I will explain the objective and implication of each item on the notice.

Item #1 relates to adoption of the audited financial statement, report of the board and auditors thereon by the members of the company, after your approval, the same will be taken as record.

#2 relates to the confirmation of the payment of interim dividend of Rs. 2.50 per equity share already paid, to declare a final dividend of Rs. 2.50 per equity share over and above interim dividend. The total dividend paid by the company for the financial year 2021 would be Rs. 5 per share. After your approval, the final dividend will be paid within a stipulated time.

Item #3 relates to appointment of Mr. Neeraj Kanwar, who is retiring by rotation. After your approval, he will be reappointed.

Item #1 to #3 of the notice have been voted by members through remote e-voting from July 12th to July 14th, 2021. 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. will act as the scrutinizer for the voting process.

Moderator: Thank you so much. We will now begin the question-and-answer session. We request for questions from speaker members who have registered in advance. We invite the first speaker shareholder, Ms. Ritika Chopra. Your line is unmuted, and you can ask your question now. Please go ahead, ma'am.

Ritika Chopra: Thank you so much. Good afternoon respected Chairman, Board members. First of all, Mr. Chairman sir, it's pretty good to see you this time, because last AGM you were not there. So, after that I would like to thank our Company Secretary and his team was sending Annual Reports **(Inaudible) 13:20**. Sir, we are actually very much blessed to have you as a Chairman of the company, you have steered the company in this pandemic session that is very grateful and very

helpful. Sir, I would like to appreciate you for paying interim dividend of **(Inaudible) 13:38** and even declaring Rs. 2.5 as final dividend in this crucial year, that is amounting to 450% of the financial year. And during this tough time, it was really tough for the economy it would not be possible if you wouldn't have been there, because without your strong leadership this wouldn't have been possible. Sir, basically I would like to say, I have an observation, there is lease rental agreement with Apollo Tyres which is a valid up to 2030. So, I would like to say that that we can have some provision for periodical incremental in lease rentals. So, you are on Board of Apollo Tyres also, so you can put some pressure so that we can have provision for periodical increment of that. And sir, besides this I have some questions relating to accounts, but due to this shortage of time, I would like to reveal all my questions relating to accounts to CFO directly via email. So, thank you so much for allowing us to attend this AGM. Thank you so much.

Onkar Kanwar: I like your point very well, I want to thank you very much and I will certainly take it up with Apollo Board and see what can be done. Thanks.

Moderator: Thank you. We now invite the next speaker shareholder, Mr. Manish Kumar. Sir, your line is unmuted, and you can ask your question now. Please go ahead, sir.

Manish Kumar: Good afternoon, everyone. Thanks for giving me the opportunity to speak at the AGM and put my point of view in front of everyone. I would like to appreciate that PTL is doing so well, but somewhere around it is lacking in publicity, which is I think a core requirement in a competitive era. So, I want to put some points, first, I would request if you can start **(Inaudible) 15:28**. Also, I would like to request you to sponsor branding of Cochin Metro Station, near our plant, as PTL Metro Station. Also, I want to suggest that I would like to request that we would have to have a dedicate hospital in the state of Kerala **(Inaudible) 15:59**. So this is my suggestion.

Harish Bahadur: This PTL plant is 100% or lease to Apollo Tyres and they are in total business of Apollo. So that's why the branding there you find only of Apollo.

Moderator: Thank you so much. We now invite the next speaker shareholder, Mr. Rangan. Your line is unmuted and you can ask your question now. You may go ahead.

Mr. Rangan: Good afternoon, Chairman. I am very happy to see you, last time I couldn't see you. See, I would like to have only three or four questions. Your land value is about Rs. 568 cores, which was valued on which year actually, I would like to know that? Then periodically increment, what the other lady was talking about, I think we have to **(Inaudible) 17:59** between Apollo Tyres and this one, because otherwise they will also switch over, because what we are getting actually it is in proportion, that's what I feel. And you stated about that periodically when the Apollo Tyres investment, last time I think I suggested we buy the Apollo Tyres shares so that we do not pay tax actually like that. And you have demonstrated it by buying your own company. Now average price is now about Rs. 207, Whenever the price was like that, you can just keep on buying that, that's the best way to create value for the shareholders.

Now with regarding the split also, instead of Rs. 2 you can split it into Rs. 1, it will be easy for calculation. Lastly, I congratulate the company. What Finance Minister also did not do by leaving the money in the hands of the public, actually you have demonstrated by giving extra Rs. 2 per share in this pandemic period, it will be very helpful for the senior citizens. Very good gesture actually. Because I can see through the attitude of the company is fully important **(Inaudible) 18:35** that's a different issue. But the attitude of sharing with the minority shareholders, that's the most important, that you have fully demonstrate. Thanks very much.

Harish Bahadur:

The land valuation as you were mentioning sir, was done six years back. And it is not a normal feature to evaluate it on a periodical basis. So, let's see, in good times if revolution is required, we will certainly considered your suggestion. You are talking about periodical increment in the lease rental, the lady also has asked this question. As you know, due to COVID, economic condition globally is not so good, and the increment in the rent was given in 2017 by Rs. 10 crores. So, Rs. 50 crores became Rs. 60 crores. So in good times we will again put it on to the management to reconsider your suggestion, sir.

Mr. Rangan:

Regarding split please, split to Rs. 1 also. I would like to tell you, having mentally you are prepared at Rs. 2. For calculation purposes Rs. 1 is much better. Either you go back to Rs. 10 like you have done Rs. 10, or you come to Rs. 1, either of it, you just think about that. That's all.

Onkar Kanwar:

We will discuss with the board and take it up. Good suggestion.

Moderator:

Thank you so much. We take the next question from the speaker shareholder, Mr. Nandakumar D. Your line is unmuted and you can ask your questions now. Please go ahead, sir.

Nandakumar D.:

Respected Shri. Onkar Kanwar, Chairman of PTL Enterprises Limited; respected Shri. Neeraj Kanwar ji, non-Executive Director, other Directors of the company, my dear fellow shareholders, it's a great privilege and pleasure to greet all of you once again. In fact, I have attended all the AGMs of the company for the past 25 years, and Neeraj ji and Onkar ji, we really miss you in Cochin, maybe next time we can meet again in Cochin, that is something we people in Cochin look forward to. My greetings to all of you, a very warm good afternoon to all of you.

During the 2020 AGM of the company, I had put forward certain suggestions. I am really glad to thank the Chairman, the non-Executive Directors for acting on two of them. I said that a final dividend in addition to the interim dividend paid may be considered, thank you for acting on that. My request this time is, midway through this financial year also a decent interim dividend may please be disbursed.

Then I suggested that more number of Apollo Tyres shares may be purchased from the secondary market, to appreciate the prices. Thank you for accepting this suggestion also. Yesterday, I saw Apollo Tyres Ltd disclosing their shareholding pattern into the various stock exchanges. To my pleasant surprise, I find that PTL Enterprises holds more than 1 crore shares

of Apollo Tyres. It means that for every 100 shares of PTL, we have 16 shares of Apollo Tyres within it. Congratulations PTL, congratulations Neeraj ji, congratulations Onkar ji. Then kindly continue to accumulate shares of Apollo Tyres in future also.

Here I have a suggestion, you please discuss with the experts and see whether it is feasible. There is a small disadvantage here in re-buying Apollo Tyres shares. Apollo Tyres gives its dividend to PTL from its post corporate tax profit. Please examine if this dividend amount is again subjected to corporate tax on profit of PTL enterprises. When PTL disburses **(Inaudible) 23:08** it is again subject to income tax. Substantial tax savings can be made if, at some point of time, PTL Enterprises distributes directly the shares of Apollo Tyres it possesses proportionately among the shareholders. It is a win-win proposal for everyone, it is tax saving also. Shareholders of the company can directly hold 70% of the shares of Apollo PTL is holding today.

Two more suggestions I made in the AGM 2020, which are yet to be taken up by the company. I am glad that I have other shareholders also have raised it. Please allow me to remind you sir about them, and request that urgent action may please be taken on them too. One was regarding the co-branding of the name of Cochin Metro in the **(Inaudible) 23:59** station as Apollo Tyres, no action seems to have been taken so far. The suggestion two is regarding the amount of lease rental, that issue also has been raised here by almost all the shareholders. Sir, it is very important, because for four years there has not been any increase in the lease rental, so it has been a long time since the account was fixed because kindly do the needful to enhance the amount in proportion to the inflation during this period. Also, as that respected ladies suggested, please consider introducing

Moderator: As we have lost the connection for the speaker shareholder, we move on to the next speaker shareholder, Mr. Pankaj Kumar. Sir, your line is unmuted and you can ask your question. You may go ahead.

Pankaj Kumar: Good afternoon, everyone. Sir, apart from other questions from different shareholders, I want to say that the company should come out from the shadows of Apollo Tyres and manufacture tyres in the brand name of PTL itself. Another suggestion is, considering the COVID pandemic, I request that the companies should have a dedicated COVID hospital in the state of Kerala, near the PTL plant, as well as another hospital in NCR of Delhi. Please consider this, sir.

Onkar Kanwar: Well, I think you made two points. One is, it's not possible to do separate organization, we can't create a separate organization, it's only lease property. Today, we are able to utilize the good relation of Apollo Tyres, both for manufacturing and for distribution. So, you understand this is a very important thing which you have done. As far as Hospital is concerned, we will look at it and see what is the possibility. Thank you.

Moderator: Thank you. We will take the last question from the speaker shareholder, Mr. Anubhav Talwar. Sir, your line is unmuted, and you can ask your question now. Please go ahead, sir.

- Anubhav Talwar:** Good afternoon, Chairman sir, Neeraj sir, and highly distinguished Board of Directors and fellow shareholders. I hope you and your loved ones are doing well. According to SEBI notification dated May 2021, **(Inaudible) 26:44**. I do appreciate the company has already hiked dividend in the previous year, but the same shall be expected in future. Please enlighten us when can we have this policy. Thank you very much.
- Harish Bahadur:** Sir, your point is very, very valid. Company is already in process of finalizing dividend distribution policy. And very soon, you will find it on the website of the company.
- Moderator:** Thank you, sir. This was the last question. I hand it over back to the Chairman.
- Onkar Kanwar:** Thanks for your questions. I think most of the points have been taken and discussed. So now we can go to the next piece. As we have carried out all the items mentioned in the notice of AGM, I would like to thank to all the participants who have attended the 60th AGM of the company. Thank you. All the best.
- 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.