

PTL ENTERPRISES LIMITED

53rd Annual Report 2013 - 2014



PTL ENTERPRISES LIMITED

53rd ANNUAL REPORT

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PTL ENTERPRISES LIMITED

BOARD OF DIRECTORS

ONKAR S KANWAR	:	CHAIRMAN
NEERAJ KANWAR		
HARISH BAHADUR		
K JACOB THOMAS		
P H KURIAN	:	KERALA GOVERNMENT NOMINEE
PALLAVI SHROFF		
U S OBEROI		
U S ANAND		

MANAGER

BALA KRISHNAN G

COMPANY SECRETARY

SEEMA THAPAR

REGISTERED OFFICE

6TH FLOOR, CHERUPUSHPAM BLDG.
SHANMUGHAM ROAD,
KOCHI - 682 031 (KERALA).
TEL. NO: (0484) 2381902 - 3, 2372767
FAX NO: (0484) 2370351

WORKS

KALAMASSERY
ALWAYE,
KERALA - 683 104.

AUDITORS

H.N.MEHTA ASSOCIATES

BANKERS

STATE BANK OF INDIA
YES BANK
ICICI BANK
SYNDICATE BANK
CORPORATION BANK
DHANLAKSHMI BANK

DIRECTORS' REPORT

Dear Member,

Your Directors take pleasure in presenting the Annual Report and Audited Accounts of your Company for the financial year ended March 31, 2014.

FINANCIAL RESULTS

Year Ended (₹/lacs)

	<u>31.03.2014</u>	<u>31.03.2013</u>
Total Revenue	4,114.22	4,248.74
Profit Before Depreciation	2,746.71	2,552.27
- Depreciation	60.09	50.99
Profit Before Tax	2,686.62	2,501.28
- Provision for Tax – Current	949.61	804.19
- Provision for Tax – Deferred	(24.56)	8.95
Net Profit After Tax	1,761.57	1,688.14
Balance brought forward from Previous Year	4,461.76	3,748.00
Profit Available for Appropriations	6,223.33	5,436.14
Appropriations		
- Dividend to Equity Shareholders	661.89	661.89
- Dividend Tax	112.49	112.49
- Transfer to General Reserve	200.00	200.00
Balance Carried Forward	5,248.95	4,461.76

OPERATIONS

The gross total income of your Company for the year ended March 31, 2014 amounted to ₹ 4,114.22 lacs as against ₹ 4,248.74 lacs during the previous year. It includes lease rental of ₹ 4,000 lacs received from Apollo Tyres Ltd. (ATL), in accordance with the terms of the Lease Agreement executed with ATL. After providing for depreciation and tax, net profit amounted to ₹ 1,761.57 lacs as against ₹ 1,688.14 lacs in the previous year.

During the year under review, the gross revenue of the subsidiary company Artemis Medicare Services Ltd. increased to ₹ 26,257.04 lacs as compared to ₹ 21,930.53 lacs in the previous year.

DIVIDEND

Your Directors recommend dividend of ₹ 1 per equity share for the FY14, for your approval. There will be no tax deduction at source on dividend payments, but your Company will have to pay dividend distribution tax amounting to ₹ 112.49 lacs, inclusive of surcharge.

The dividend, if approved, shall be payable to the shareholders registered in the books of the Company and the beneficial owners as per details furnished by the depositories, determined with reference to the book closure.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required by clause 49 of the Listing Agreement with the Stock Exchanges, a detailed Management Discussion and Analysis Report is presented in a separate section forming part of the Annual Report.

SUBSIDIARY COMPANIES

As on March 31, 2014, your Company had 4 subsidiaries including indirect subsidiaries.

As per the provisions of section 212 of the Companies Act, 1956 your Company is required to attach the Directors' Report, Balance Sheet, Profit & Loss Account and other information of the subsidiary companies to its Balance Sheet. However, the Ministry of Corporate Affairs, Government of India has, vide its General Circular No. 2 and 3 dated February 8, 2011 and February 21, 2011 respectively, granted a general exemption from compliance with section 212(8) of the Companies Act, 1956 from attaching the Annual Accounts of subsidiaries in the annual published accounts of the Company subject to fulfillment of conditions stipulated in the said circulars. Your Company meets all the conditions stated in the aforesaid circular and therefore the standalone financial statements of each subsidiary are not annexed with the Annual Report for the financial year ended March 31, 2014.

The consolidated financial statements of the Company and its subsidiaries are attached in the Annual Report. A statement containing brief financial details of all the subsidiaries of the Company for the year ended March 31, 2014 forms part of the Annual Report. As required, pursuant to the provisions of section 212 of the Companies Act, 1956, a statement of the holding Company's interest in the subsidiary companies forms part of the Annual Report. The annual accounts of the subsidiary companies will be made available to shareholders on request and will also be kept for inspection by any shareholder at the Registered Office of your Company, and its subsidiaries.

FIXED DEPOSITS

During the year under review, your Company has not invited or accepted any deposits from the public pursuant to the provisions of section 58A of the Companies Act, 1956 and no amount of principal or interest was outstanding in respect of deposits from the public as on the date of balance sheet.

COST AUDIT

Your Company has made an application to the Central Government for availing exemption from the requirements of cost audit as your Company does not have its own production and its facility has been leased out to Apollo Tyres Ltd.

AUDITORS

M/s. H N Mehta Associates, Chartered Accountants, Statutory Auditors of your Company, will retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment as Statutory Auditors for the FY15.

AUDITORS' REPORT

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

BOARD OF DIRECTORS

The Government of Kerala withdrew the nomination of Dr V P Joy w.e.f. November 11, 2013 and nominated Mr P H Kurian in place of Mr K S Srinivas on the Board of the Company w.e.f. December 05, 2013. The Board places on record its appreciation for the contribution made by Dr V P Joy and Mr K S Srinivas during their tenure of directorship.

Pursuant to the provisions of section 152 of the Companies Act, 2013 and in accordance with the provisions of Articles of Association of the Company, Mr U S Oberoi, Director of the Company, is liable to retire by rotation and being eligible, offers himself for re-appointment.

None of the Directors are disqualified under section 164 (2) of the Companies Act, 2013.

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

As the Company's facility has been leased out to Apollo Tyres Ltd. 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

The company is committed to adopting and adhering to the best corporate governance practices. The compliance report on Corporate Governance and a certificate from M/s. H N Mehta Associates, Chartered Accountants, Statutory Auditors of the Company, regarding compliance of the conditions of Corporate Governance, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, is attached herewith as Annexure- A and forms part of this Annual Report.

PARTICULARS OF EMPLOYEES

There were no employees during the year under review, 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 confirms that:

- i) in preparation of the annual accounts for the year ended March 31, 2014, 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 on March 31, 2014 and of the profit of the Company for the year ended as on date;
- iii) appropriate 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 place on record their appreciation for assistance received from the Central Government, State Governments of Kerala and Haryana, bankers, consumers, business partners and stakeholders for their valuable support and patronage during the year under review. The Board further wishes to extend its appreciation of the contributions made by employees towards growth of the business.

For and on behalf of the Board of Directors



(ONKAR S KANWAR)
CHAIRMAN

Place: Gurgaon

Dated: May 02, 2014

REPORT ON CORPORATE GOVERNANCE

Clause 49 of the Listing Agreement with the Stock Exchanges stipulates the norms on disclosure standards that have to be followed on the Corporate Governance front by listed companies. In accordance with the requirements of said clause 49, your Company shares a long term perspective and firmly believe that good Corporate Governance practices underscore its drive towards competitive strength and sustained performance. The Companies Act, 2013 became effective from April 1, 2014. The prime focus of Companies Act, 2013 is on shareholders' democracy, higher transparency and more disclosures, E-Governance, investor protection /minority shareholders and on professionals' enhanced role & accountability. Your Company is in the process of transformation from Companies Act, 1956 to Companies Act, 2013 in a phased manner. The next annual report of your Company shall contain all the additional information and disclosures which are required to be given under Companies Act, 2013. A report on the implementation of the Corporate Governance in accordance with Listing Agreement is furnished below:-

1. Company's philosophy on Code of Governance

Your Company has implemented good Corporate Governance practices in compliance with clause 49 of the Listing Agreement. Corporate Governance is a combination of voluntary adoption of best business practices and compliance with laws and regulations, leading to effective management of the organization. Your Company seeks to execute the best practices of Corporate Governance through relentless focus on transparency, accountability, trusteeship and professionalism.

2. Board of Directors

a) Composition of Board:

As on March 31, 2014, the Board of the Company comprises of 8 Non-executive Directors to give a new direction to the Company. Out of the 8 Directors, 4 are Independent Directors including one nominee of Government of Kerala. The Directors collectively have varied experience in the areas of finance, law, business and industry.

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	2	4	Yes
Mr Neeraj Kanwar	Non-Executive	2	2	1	No
Mr Harish Bahadur	Non-Executive	2	-	4	Yes
Mr K Jacob Thomas	Non-Executive Independent	3	2	4	Yes
Mr P H Kurian** Nominee Director – Govt of Kerala (Equity Investor)	Non-Executive Independent	12	-	1	N.A.
Ms Pallavi Shroff	Non-Executive Independent	5	2	Nil	No
Mr U S Anand	Non-Executive Independent	–	–	3	No
Mr U S Oberoi	Non-Executive	2	2	4	Yes

Ceased to be Director

Dr V P Joy* Nominee Director – Govt of Kerala (Equity Investor)	Non-Executive Independent	3	–	Nil	No
Mr K S Srinivas* Nominee Director – Govt of Kerala (Equity Investor)	Non-Executive Independent	7	–	Nil	No

#This includes directorships held in public ltd. companies and subsidiaries of public ltd. companies and excludes directorships held in private ltd 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.

*Govt of Kerala withdrew the nomination of Dr V P Joy from the Board of the Company w.e.f. November 11, 2013. They also nominated Mr P H Kurian as Director of the Company in place of Mr K S Srinivas w.e.f. December 05, 2013.

** Pursuant to Section 149(6) of the Companies Act, 2013, Mr P H Kurian shall not be treated as Independent Director w.e.f. April 1, 2014

b) Relationship amongst Directors

Mr Neeraj Kanwar, Director is the son of Mr Onkar S Kanwar, Chairman. None of the other Directors are related to each other.

c) Profile of the Chairman

As the Chairman, Mr Onkar S Kanwar is the chief architect of the Company's vision and value-driven business strategy. As a visionary entrepreneur, he plays a critical role in the articulation of Company's business philosophy.

He is the Past President of the Federation of Indian Chambers of Commerce and Industry (FICCI) and a former Chairman of the Automotive Tyre Manufacturers' Association (ATMA). Currently, apart from being a member of the Trade Advisory Committee to the Government of India and the President of Indian Rubber Manufacturers Research Association (IRMRA), he is also a Member of the Board of Governors for the Indian Institute of Management (Kozhikode).

In February 2013, Mr Onkar S Kanwar was honoured as the Entrepreneur of the Year 2012 under the Manufacturing category at the Ernst & Young Entrepreneur of the Year Awards.

Mr Onkar S Kanwar has a keen interest in the field of education and health care. Artemis Health Sciences, promoted by him, is an enterprise focusing on state-of-the-art medical care and runs a cutting edge multi-specialty medical facility which focuses on holistic treatment.

A Science and Administration graduate from the University of California, Mr Onkar S Kanwar is a widely travelled individual. He devotes a large part of his time to reading and is passionate about learning modern management practices and their successful application in business.

d) No. & Dates of Board Meetings held:

During the FY 14, 4 (four) Board meetings were held on May 10, 2013, August 6, 2013, November 11, 2013 and February 12, 2014. The gap between any two meetings never exceeded four months as per the requirements of clause 49 of Listing Agreement.

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 internal controls and audit procedures being followed by the Company. The Audit Committee of the Company has been constituted as per section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreement with the Stock Exchanges. The Committee comprises of the following 4 Non-Executive Directors as on March 31, 2014:

Name of Director	Designation	Category of Director	No. of meetings attended
Mr K Jacob Thomas	Chairman	Non-Executive Independent	4
Mr Neeraj Kanwar	Member	Non-Executive	1
Mr U S Anand	Member	Non-Executive Independent	3
Mr U S Oberoi* (appointed w.e.f. May 10, 2013)	Member	Non-Executive	3

*Ceased to be a member of the committee w.e.f. May 02, 2014

b) Meetings

During the financial year, 4 (four) Audit Committee meetings were held on May 10, 2013, August 6, 2013, November 11, 2013 and February 12, 2014.

c) Secretary

Ms Seema Thapar, Company Secretary, acts as a Secretary of the Committee.

d) Terms of Reference

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under clause 49 of the Listing Agreement and section 292A of the Companies Act, 1956. 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;