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TOLINS TYRES LIMITED



(Please scan this QR code to view the Prospectus)

Our Company was incorporated in the name and style of Tolins Tyres Private Limited and a certificate of incorporation was issued on July 10, 2003 by the Registrar of Companies, Kerala. Subsequently, upon the conversion of our Company into a public limited company, pursuant to a special resolution passed by our Shareholders on January 1, 2024, the name of our Company was changed to Tolins Tyres Limited and a fresh certificate of incorporation dated January 26, 2024 was issued by the Registrar of Companies, Ernakulam, Kerala. For further details relating to the changes in the name of our Company and the registered office of our Company, please refer, "History and Certain Corporate Matters" on page 254 of the Prospectus dated September 11, 2024 ("Prospectus").

Corporate Identity Number: U25119KL2003PLC016289. Registered Office: No. 1147, M C Road, Kalady, Ernakulam, Aluva - 683 574, Kerala, India. Telephone: +91 72592 87215. Contact Person: Umesh Muniraj; Company Secretary and Compliance Officer; Email: cs@tolins.com; Website: www.tolinstyres.com

OUR PROMOTERS: DR. KALAMPARAMBIL VARKEY TOLIN AND JERIN TOLIN

Our Company has filed the Prospectus dated September 11, 2024 with the RoC (the "Prospectus") and the Equity Shares (as defined below) are proposed to be listed on the Main Board platform of the Stock Exchanges and the trading is expected to commence on or about Monday, September 16, 2024.

BASIS OF ALLOTMENT

INITIAL PUBLIC OFFER OF 10,176,991 EQUITY SHARES OF FACE VALUE ₹5 EACH ("EQUITY SHARES") OF TOLINS TYRES LIMITED FOR CASH AT A PRICE OF ₹226 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹221 PER EQUITY SHARE) (THE "OFFER PRICE"), AGGREGATING TO ₹2,300 MILLION COMPRISING OF A FRESH ISSUE OF 8,849,559* EQUITY SHARES OF FACE VALUE ₹5 EACH, AGGREGATING TO ₹ 2,000 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE UP TO 1,327,432 EQUITY SHARES OF FACE VALUE OF ₹5 EACH, AGGREGATING TO ₹300 MILLION (THE "OFFER FOR SALE"), CONSISTING OF 663,716 EQUITY SHARES OF FACE VALUE OF ₹5 EACH, AGGREGATING TO ₹150 MILLION BY DR. KALAMPARAMBIL VARKEY TOLIN AND 663,716 EQUITY SHARES OF FACE VALUE OF ₹5 EACH, AGGREGATING TO ₹150 MILLION BY JERIN TOLIN (COLLECTIVELY, THE "SELLING SHAREHOLDERS" AND SUCH EQUITY SHARES, THE "OFFERED SHARES"). THE OFFER CONSTITUTES 25.76% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL.

*Read this number as per Corrigendum to Prospectus

ANCHOR INVESTOR OFFER PRICE: ₹226/- PER EQUITY SHARE OF FACE VALUE OF ₹5 EACH
OFFER PRICE: ₹226/- PER EQUITY SHARE OF FACE VALUE OF ₹5 EACH
THE OFFER PRICE IS 45.2 TIMES THE FACE VALUE OF THE EQUITY SHARES.

RISKS TO INVESTORS

For details refer to section titled "Risk Factors" on page 37 of the Prospectus

1. Risk in relation to dependence on limited suppliers: Our business depends on our relationships with a limited range of suppliers, and any adverse changes in such relationships, or our inability to enter into new relationships, could adversely affect our business and results of operations. The details of contribution by our top supplier, top five suppliers and top 10 suppliers are set out below:

(₹ in million, except percentages)

Suppliers Concentration	Fiscal					
	2024 (Consolidated)		2023 (Standalone)		2022 (Standalone)	
	Amount	% of Total Purchases	Amount	% of Total Purchases	Amount	% of Total Purchases
Top 1 Supplier	585.09	29.07%	708.77	65.02%	753.00	73.10%
Top 5 Suppliers	1,568.18	77.92%	909.52	83.44%	863.40	83.82%
Top 10 Suppliers	1,972.54	98.02%	1,006.49	92.33%	924.63	89.76%

2. Risk in relation to dependence on Automotive Original Equipment Manufacturer (OEMs) for sale of agricultural tyres: We have in the past derived, and we believe that we will continue to derive, a significant portion of our revenue from certain automotive original equipment manufacturers and is therefore dependent on the performance of the automotive sector in India. The contribution from automotive OEMs agricultural tyre revenue to our total revenue from operations was 5.06%, 9.89% and 9.78% in Fiscal 2024 (on a consolidated basis) and in Fiscals 2023 and 2022 (on a standalone basis), respectively.

3. Product concentration risk in relation to bias tyres: We derive a portion of our revenue from the sale of bias tyres, which may result in pricing pressure that could adversely affect our profitability. The details of our products along with details of their contribution to our total revenue from operations for the Fiscal 2024 Fiscal 2023 and Fiscal 2022 are set out below:

(₹ in million, except percentages)

Vertical	Fiscal					
	2024 (Consolidated)		2023 (Standalone)		2022 (Standalone)	
	Amount	Percentage of Revenue from operations (%)	Amount	Percentage of Revenue from operations (%)	Amount	Percentage of Revenue from operations (%)
Tyres	551.22	24.26%	247.92	20.97%	194.02	17.11%
Tread Rubber	1,720.96	75.74%	934.54	79.03%	939.63	82.89%
Total	2,272.18	100.00%	1,182.46	100.00%	1,133.65	100.00%

4. Risk in relation to dependence of sales through Dealers / Distributors: A significant portion of our tyre and other products are sold through our network of dealers & distributors. We do not enter into contractual agreements with our distributors and dealers and any failure to maintain the relationship with these dealers & distributors or find competent replacements could affect the sales of our products. The details of total revenue from operations generated through various sales channels are set out below:

(₹ in million, except percentages)

Vertical	Fiscal					
	2024 (Consolidated)		2023 (Standalone)		2022 (Standalone)	
	Amount	Percentage of Revenue from operations (%)	Amount	Percentage of Revenue from operations (%)	Amount	Percentage of Revenue from operations (%)
Dealers / Distributors	1,631.72	71.81%	268.58	22.71%	161.28	14.23%
Depot	265.75	11.70%	525.35	44.43%	568.15	50.12%
Exports	122.30	5.38%	139.61	11.81%	158.37	13.97%

5. Regulatory Risk: We are subject to various laws and regulations relating stringent environmental, health and safety laws, regulations and standards in India and abroad. Non-compliance with and adverse changes in health, safety and environmental laws and other similar regulations to our manufacturing operations may adversely affect our business, results of operations and financial condition.

6. Competition Risk: We operate in a highly competitive industry, with a number of manufacturers that possess significant financial and industrial resources and enjoy considerable international and/or regional recognition. Our inability to compete effectively could result in the loss of customers and our market share, which could have an adverse effect on our business, results of operations, financial condition and future prospects.

7. Capacity Utilization Risk: Our manufacturing facilities are under-utilized and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, prospects and future financial performance.

The installed capacity and utilization of Pre cured Tread rubber for our Company and its Subsidiary:

Year	Installed capacity	Actual Production	Capacity Utilization %
Tolins Tyres Limited			
Name of the Product: Pre cured Tread Rubber (PCTR)			
FY 2023-24	(Tonnes)	(Tonnes)	
	11,286	5,397	47.82%
Tolins Tyres LLC (One Person) (Wholly owned Foreign Subsidiary)			
Name of the Product: PCTR			
FY 2023-24	(Tonnes)	(Tonnes)	
	1,200	275	22.92%

For details regarding our capacity utilization of our manufacturing facilities, see "Our Business - Capacity Installed and Capacity Utilizations" on page 232 of the Prospectus.

8. Working Capital Risk: Our business requires significant working capital which are funded by a combination of equity or internal accruals and loans.

The details of net working capital requirement, average working capital requirement and Net working capital days are given below:

(₹ in million, except days)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net Working Capital Requirement	832.80	467.96	387.80
Average Working Capital Requirement		562.85	
Net Working Capital (Days)	193	144	125

9. Risk in relation to sale of products majorly concentrated in the State of Kerala: Our sale of products is majorly concentrated in the state of Kerala. Any adverse developments affecting our operations in such region, could have an adverse impact on our business, financial condition, results of operations and cash flows. The following table sets forth our revenue from operations from Kerala is given below:

(₹ in million, except percentages)

Vertical	Fiscal					
	2024 (Consolidated)		2023 (Standalone)		2022 (Standalone)	
	Amount	Percentage of Revenue from operations (%)	Amount	Percentage of Revenue from operations (%)	Amount	Percentage of Revenue from operations (%)
Kerala	1,061.38*	46.71%	791.17	66.91%	717.91	63.33%

* Includes the net revenue of our wholly-owned Indian subsidiary, Tolin Rubbers Private Limited, amounting to ₹316.36 million.

10. Negative Cash Flows: We have had negative net cash flows in the past. The following table sets forth our cash flow for the periods indicated as per our Restated Financial Statements:

(₹ in million)

Year	For the year ended March 31		
	2024	2023	2022
	Consolidated	Standalone	Standalone
Net Cash flow (used) in / generated from Operating Activities	(35.90)	18.15	25.30
Net Cash flow (used) in / generated from Investing Activities	(541.26)	0.28	(25.67)
Cash Flow (used) in / generated from Financing Activities	577.14	(19.35)	1.04
Net increase/(decrease) in cash and cash equivalents	(0.02)	(0.92)	0.67

11. Financial Indebtedness Risk: Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, financial condition, results of operations and cash flows. As of August 23, 2024, our outstanding borrowings on a consolidated basis was ₹ 1,013.25 million (both fund based and non-fund based). For details, please refer chapter "Financial Indebtedness" on page 341 of the Prospectus.

12. Raw Material Risk: We depend upon third-party suppliers for supply of certain raw materials. We are exposed to fluctuations in the prices of these raw materials as well as its unavailability, particularly as we typically do not enter into any long-term supply agreements with our suppliers.

The below table showcases, purchase value of raw material for the Fiscal 2024 (on a consolidated basis) and for the Fiscals 2023 and 2022 (on a standalone basis):

(₹ in million, except percentages)

Description	Fiscal					
	2024 (Consolidated)		2023 (Standalone)		2022 (Standalone)	
	Amount	% of Total Purchases	Amount	% of Total Purchases	Amount	% of Total Purchases
Raw Materials	1,934.01	96.10%	1,060.43	97.28%	1,000.19	97.10%

13. The Price to Earnings ratio (P/E ratio) based on diluted EPS for Fiscal 2024 at the cap price is 23.75 as compared to the average industry peer group PE ratio of 34.17

14. The average cost of acquisition of Equity Shares of face value of ₹ 5 each for our Promoters Selling Shareholders as on the date of the Prospectus:

Name	Number of Equity Shares	Average cost of acquisition per Equity Share (in ₹)*
Dr. Kalamparambil Varkey Tolin	13,491,834	8.87
Jerin Tolin	12,049,363	5.59

*As certified by Krishnan Retna & Associates, Chartered Accountants, the Statutory Auditor of our Company pursuant to their certificate dated September 11, 2024.

15. Weighted Average Return on Net Worth for Financial Years ended 2024, 2023 and 2022 is 22.47%.

16. Weighted average cost of acquisition for all shares transacted in the last three years, eighteen months and one year preceding the date of the Prospectus is as follows:

Period	Weighted Average Cost of Acquisition (WACA) (in ₹)*	Cap Price is 'X' times the WACA*	Range of acquisition price: Lowest price - highest price (in ₹)*
Last 3 years	20.47	11.04	0^ - 118
Last 18 months	26.61	8.49	0^ - 118
Last 1 year	26.61	8.49	0^ - 118

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^ The Lower Price of Equity shares adjusted for the bonus and sub-division of Equity Share from face value of ₹100 each to face value of ₹5 each.

17. Weighted average cost of acquisition (WACA), floor price and cap price

Past Transactions	Weighted average cost of acquisition (in ₹)	Floor Price (₹ 215/-)	Cap Price (₹ 226/-)
WACA of Primary Issuances during the 18 months prior to the date of the Prospectus	26.61*	8.08*	8.49*
WACA of Secondary Issuances during the 18 months prior to the date of the Prospectus	Not Applicable	Not Applicable	Not Applicable

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18. The only BRLM associated with the Offer have handled 2 public issues in the past three financial years, out of which 1 issue have closed below the offer price on the listing date.

Name of the BRLM	Total Public Issues	Issues closed below the IPO Price on listing date
Saffron Capital Advisors Private Limited	2	1

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Corporate Identity Number: U25119KL2003PLC016289.

Registered Office: No. 1/47, M C Road, Kalady, Ernakulam, Aluva - 683 574, Kerala, India. Telephone: +91 72592 87215. Contact Person: Umesh Muniraj; Company Secretary and Compliance Officer; Email: cs@tolins.com; Website: www.tolinstyres.com

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ANCHOR INVESTOR OFFER PRICE: ₹226/- PER EQUITY SHARE OF FACE VALUE OF ₹5 EACH
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(₹ in million, except percentages)

Suppliers Concentration	Fiscal					
	2024 (Consolidated)		2023 (Standalone)		2022 (Standalone)	
	Amount	% of Total Purchases	Amount	% of Total Purchases	Amount	% of Total Purchases
Top 1 Supplier	585.09	29.07%	708.77	65.02%	753.00	73.10%
Top 5 Suppliers	1,568.18	77.92%	909.52	83.44%	863.40	83.82%
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Vertical	Fiscal					
	2024 (Consolidated)		2023 (Standalone)		2022 (Standalone)	
	Amount	Percentage of Revenue from operations (%)	Amount	Percentage of Revenue from operations (%)	Amount	Percentage of Revenue from operations (%)
Tyres	551.22	24.26%	247.92	20.97%	194.02	17.11%
Tread Rubber	1,720.96	75.74%	934.54	79.03%	939.63	82.89%
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Depot	265.75	11.70%	525.35	44.43%	568.15	50.12%
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7. **Capacity Utilization Risk:** Our manufacturing facilities are under-utilized and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, prospects and future financial performance.

The installed capacity and utilization of Pre cured Tread rubber for our Company and its Subsidiary:

Year	Installed capacity	Actual Production	Capacity Utilization %
Tolins Tyres Limited			
Name of the Product: Pre cured Tread Rubber (PCTR)	(Tonnes)	(Tonnes)	
FY 2023-24	11,286	5,397	47.82%
Tolins Tyres LLC (One Person) (Wholly owned Foreign Subsidiary)			
Name of the Product: PCTR	(Tonnes)	(Tonnes)	
FY 2023-24	1,200	275	22.92%

For details regarding our capacity utilization of our manufacturing facilities, see "Our Business - Capacity Installed and Capacity Utilizations" on page 232 of the Prospectus.

8. **Working Capital Risk:** Our business requires significant working capital which are funded by a combination of equity or internal accruals and loans.

The details of net working capital requirement, average working capital requirement and Net working capital days are given below:

(₹ in million, except days)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net Working Capital Requirement	832.80	467.96	387.80
Average Working Capital Requirement		562.85	
Net Working Capital (Days)	193	144	125

9. **Risk in relation to sale of products majorly concentrated in the State of Kerala:** Our sale of products is majorly concentrated in the state of Kerala. Any adverse developments affecting our operations in such region, could have an adverse impact on our business, financial condition, results of operations and cash flows. The following table sets forth our revenue from operations from Kerala is given below:

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	2024 (Consolidated)		2023 (Standalone)		2022 (Standalone)	
	Amount	Percentage of Revenue from operations (%)	Amount	Percentage of Revenue from operations (%)	Amount	Percentage of Revenue from operations (%)
Kerala	1,061.38*	46.71%	791.17	66.91%	717.91	63.33%

* Includes the net revenue of our wholly-owned Indian subsidiary, Tolin Rubbers Private Limited, amounting to ₹316.36 million.

10. **Negative Cash Flows:** We have had negative net cash flows in the past. The following table sets forth our cash flow for the periods indicated as per our Restated Financial Statements:

(₹ in million)

Year	For the year ended March 31		
	2024	2023	2022
	Consolidated	Standalone	Standalone
Net Cash flow (used) in / generated from Operating Activities	(35.90)	18.15	25.30
Net Cash flow (used) in / generated from Investing Activities	(541.26)	0.28	(25.67)
Cash Flow (used) in / generated from Financing Activities	577.14	(19.35)	1.04
Net increase/(decrease) in cash and cash equivalents	(0.02)	(0.92)	0.67

11. **Financial Indebtedness Risk:** Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, financial condition, results of operations and cash flows. As of August 23, 2024, our outstanding borrowings on a consolidated basis was ₹ 1,013.25 million (both fund based and non-fund based). For details, please refer chapter "Financial Indebtedness" on page 34 of the Prospectus.

12. **Raw Material Risk:** We depend upon third-party suppliers for supply of certain raw materials. We are exposed to fluctuations in the prices of these raw materials as well as its unavailability, particularly as we typically do not enter into any long-term supply agreements with our suppliers.

The below table showcases, purchase value of raw material for the Fiscal 2024 (on a consolidated basis) and for the Fiscals 2023 and 2022 (on a standalone basis):

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Description	Fiscal					
	2024 (Consolidated)		2023 (Standalone)		2022 (Standalone)	
	Amount	% of Total Purchases	Amount	% of Total Purchases	Amount	% of Total Purchases
Raw Materials	1,934.01	96.10%	1,060.43	97.28%	1,000.19	97.10%

13. The Price to Earnings ratio (P/E ratio) based on diluted EPS for Fiscal 2024 at the cap price is 23.75 as compared to the average industry peer group PE ratio of 34.17

14. The average cost of acquisition of Equity Shares of face value of ₹ 5 each for our Promoters Selling Shareholders as on the date of the Prospectus:

Name	Number of Equity Shares	Average cost of acquisition per Equity Share (in ₹)*
Dr. Kalamparambil Varkey Tolin	13,491,834	8.87
Jerin Tolin	12,049,363	5.59

*As certified by Krishnan Retna & Associates, Chartered Accountants, the Statutory Auditor of our Company pursuant to their certificate dated September 11, 2024.

15. Weighted Average Return on Net Worth for Financial Years ended 2024, 2023 and 2022 is 22.47%.

16. Weighted average cost of acquisition for all shares transacted in the last three years, eighteen months and one year preceding the date of the Prospectus is as follows:

Period	Weighted Average Cost of Acquisition (WACA) (in ₹)*	Cap Price is 'X' times the WACA*	Range of acquisition price: Lowest price - highest price (in ₹)*
Last 3 years	20.47	11.04	0^ - 118
Last 18 months	26.61	8.49	0^ - 118
Last 1 year	26.61	8.49	0^ - 118

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^ The Lower Price of Equity shares adjusted for the bonus and sub-division of Equity Share from face value of ₹100 each to face value of ₹5 each.

17. Weighted average cost of acquisition (WACA), floor price and cap price

Past Transactions	Weighted average cost of acquisition (in ₹)	Floor Price (₹ 215/-)	Cap Price (₹ 226/-)
WACA of Primary Issuances during the 18 months prior to the date of the Prospectus	26.61*	8.08*	8.49*
WACA of Secondary Issuances during the 18 months prior to the date of the Prospectus	Not Applicable	Not Applicable	Not Applicable

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18. The only BRLM associated with the Offer have handled 2 public issues in the past three financial years, out of which 1 issue have closed below the offer price on the listing date.

Name of the BRLM	Total Public Issues	Issues closed below the IPO Price on listing date
Saffron Capital Advisors Private Limited	2	1

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TOLINS TYRES LIMITED



Please scan this QR code to view the Prospectus

Our Company was incorporated in the name and style of 'Tolins Tyres Private Limited' and a certificate of incorporation was issued on July 15, 2022 by the Registrar of Companies, Kerala. Subsequently, upon the conversion of our Company into a public limited company pursuant to a special resolution passed by our Shareholders on January 1, 2024, the name of our Company was changed to 'Tolins Tyres Limited' and a fresh certificate of incorporation dated January 25, 2024 was issued by the Registrar of Companies, Ernakulam, Kerala. For further details relating to the changes to the name of our Company and the registered office of our Company, please refer: 'History and Certain Corporate Matters' in page 26 of the Prospectus dated September 11, 2024 ('Prospectus').

Corporate Identity Number: U20190LN2022PL0192028

Registered Office No: 147, M.C.Road, Kately, Ernakulam, Near - 881 574, Kerala, India. Telephone: +91 2382 97216. Contact Person: Unmesh Mathan, Company Secretary and Compliance Officer. Email: info@tolins.com. Website: www.tolintyres.com

OUR PROMOTERS: DR. KALAMPARAMBIL VARKEY TOLIN AND JERIN TOLIN

Our Company has filed the Prospectus dated September 11, 2024 with the RoC (the "Prospectus") and the Equity Shares (as defined below) are proposed to be listed on the Main Board platform of the Stock Exchanges and the trading is expected to commence on or about Monday, September 16, 2024.

BASIS OF ALLOTMENT

INITIAL PUBLIC OFFER OF 18,176,891 EQUITY SHARES OF FACE VALUE ₹5 EACH ("EQUITY SHARES") OF TOLINS TYRES LIMITED FOR CASH AT A PRICE OF ₹226 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹221 PER EQUITY SHARE) (THE "OFFER PRICE"), AGGREGATING TO ₹2,306 MILLION COMPRISING OF A FRESH ISSUE OF 8,848,559 EQUITY SHARES OF FACE VALUE ₹5 EACH, AGGREGATING TO ₹2,208 MILLION (THE "FRESH ISSUE"), AND AN OFFER FOR SALE UP TO 1,327,432 EQUITY SHARES OF FACE VALUE ₹5 EACH, AGGREGATING TO ₹663 MILLION (THE "OFFER FOR SALE"), CONSISTING OF 863,716 EQUITY SHARES OF FACE VALUE ₹5 EACH, AGGREGATING TO ₹431 MILLION BY DR. KALAMPARAMBIL VARKEY TOLIN AND 863,716 EQUITY SHARES OF FACE VALUE ₹5 EACH, AGGREGATING TO ₹431 MILLION BY JERIN TOLIN (COLLECTIVELY, THE "SELLING SHAREHOLDERS") AND SUCH EQUITY SHARES, THE "OFFERED SHARES"), THE OFFER CONSTITUTES 25.76% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL.

*Read this number as per Correspondence to Prospectus

ANCHOR INVESTOR OFFER PRICE: ₹226/- PER EQUITY SHARE OF FACE VALUE OF ₹5 EACH OFFER PRICE: ₹226/- PER EQUITY SHARE OF FACE VALUE OF ₹5 EACH THE OFFER PRICE IS 45.2 TIMES THE FACE VALUE OF THE EQUITY SHARES.

RISKS TO INVESTORS

For details refer to section titled "Risk Factors" on page 37 of the Prospectus

1. **Risk in relation to dependence on limited suppliers:** Our business depends on our relationships with a limited range of suppliers, and any adverse changes in such relationships, or our inability to enter into new relationships, could adversely affect our business and results of operations. The details of contribution by our top supplier, top five suppliers and top 10 suppliers are set out below:

(₹ in million, except percentages)

Suppliers Concentration	Fiscal					
	2024 (Consolidated)		2023 (Standalone)		2022 (Standalone)	
	Amount	% of Total Purchases	Amount	% of Total Purchases	Amount	% of Total Purchases
Top 1 Supplier	585.09	29.37%	706.77	65.02%	753.00	73.10%
Top 5 Suppliers	1,568.18	77.92%	909.52	83.44%	803.40	83.82%
Top 10 Suppliers	1,972.54	98.02%	1,006.49	92.33%	924.63	89.78%

2. **Risk in relation to dependence on Automotive Original Equipment Manufacturer (OEMs) for sale of agricultural tyres:** We have in the past derived, and we believe that we will continue to derive, a significant portion of our revenue from certain automotive original equipment manufacturers and is therefore dependent on the performance of the automotive sector in India. The contribution from automotive OEMs agricultural tyre revenue to our total revenue from operations was 5.06%, 9.89% and 9.78% in Fiscal 2024 (on a consolidated basis) and in Fiscal 2023 and 2022 (on a standalone basis), respectively.

3. **Product concentration risk in relation to bias tyres:** We derive a portion of our revenue from the sale of bias tyres, which may result in pricing pressure that could adversely affect our profitability. The details of our products along with details of their contribution to our total revenue from operations for the Fiscal 2024 Fiscal 2023 and Fiscal 2022 are set out below:

(₹ in million, except percentages)

Vertical	Fiscal					
	2024 (Consolidated)		2023 (Standalone)		2022 (Standalone)	
	Amount	Percentage of Revenue from operations (%)	Amount	Percentage of Revenue from operations (%)	Amount	Percentage of Revenue from operations (%)
Tyres	551.22	24.26%	247.92	20.87%	194.02	17.11%
Tread Rubber	1,720.96	75.74%	934.54	79.03%	830.63	82.80%
Total	2,272.18	100.00%	1,182.46	100.00%	1,133.65	100.00%

4. **Risk in relation to dependence of sales through Dealers / Distributors:** A significant portion of our tyre and other products are sold through our network of dealers & distributors. We do not enter into contractual agreements with our distributors and dealers and any failure to maintain the relationship with these dealers & distributors or find competent replacements could affect the sales of our products. The details of total revenue from operations generated through various sales channels are set out below:

(₹ in million, except percentages)

Vertical	Fiscal					
	2024 (Consolidated)		2023 (Standalone)		2022 (Standalone)	
	Amount	Percentage of Revenue from operations (%)	Amount	Percentage of Revenue from operations (%)	Amount	Percentage of Revenue from operations (%)
Dealers / Distributors	1,831.72	71.81%	268.56	22.71%	181.28	14.23%
Direct	268.75	11.70%	625.35	44.43%	568.15	50.12%
Exports	122.30	5.38%	139.61	11.81%	158.37	13.97%

5. **Regulatory Risk:** We are subject to various laws and regulations relating stringent environmental, health and safety laws, regulations and standards in India and abroad. Non-compliance with and adverse changes in health, safety and environmental laws and other similar regulations to our manufacturing operations may adversely affect our business, results of operations and financial condition.

6. **Competition Risk:** We operate in a highly competitive industry, with a number of manufacturers that possess significant financial and industrial resources and enjoy considerable international and/or regional recognition. Our inability to compete effectively could result in the loss of customers and our market share, which could have an adverse effect on our business, results of operations, financial condition and future prospects.

7. **Capacity Utilization Risk:** Our manufacturing facilities are under-utilized and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, prospects and future financial performance.

The installed capacity and utilization of Pre cured Tread rubber for our Company and its Subsidiary:

Year	Installed capacity	Actual Production	Capacity Utilization %
Tolins Tyres Limited			
Name of the Product: Pre cured Tread Rubber (PCTR)	(Tonnes)	(Tonnes)	
FY 2023-24	11,286	5,397	47.82%
Tolins Tyres LLC (One Person) (Wholly owned Foreign Subsidiary)			
Name of the Product: PCTR	(Tonnes)	(Tonnes)	
FY 2023-24	1,200	275	22.92%

For details regarding our capacity utilization of our manufacturing facilities, see "Our Business - Capacity Installed and Capacity Utilization" on page 232 of the Prospectus.

8. **Working Capital Risk:** Our business requires significant working capital which are funded by a combination of equity or internal accruals and loans. The details of net working capital requirement, average working capital requirement and net working capital days are given below:

(₹ in million, except days)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net Working Capital Requirement	832.80	407.96	387.80
Average Working Capital Requirement		562.85	
Net Working Capital (Days)	103	144	125

9. **Risk in relation to sale of products majorly concentrated in the State of Kerala:** Our sale of products is majorly concentrated in the state of Kerala. Any adverse developments affecting our operations in such region, could have an adverse impact on our business, financial condition, results of operations and cash flows. The following table sets forth our revenue from operations from Kerala is given below:

(₹ in million, except percentages)

Vertical	Fiscal					
	2024 (Consolidated)		2023 (Standalone)		2022 (Standalone)	
	Amount	Percentage of Revenue from operations (%)	Amount	Percentage of Revenue from operations (%)	Amount	Percentage of Revenue from operations (%)
Kerala	1,061.36*	46.71%	791.17	66.91%	717.91	63.33%

*Includes the net revenue of our wholly-owned Indian subsidiary, Tolins Rubbers Private Limited, amounting to ₹716.36 million

10. **Negative Cash Flows:** We have had negative net cash flows in the past. The following table sets forth our cash flow for the periods indicated as per our Restated Financial Statements:

(₹ in million)

Year	For the year ended March 31		
	2024	2023	2022
	Consolidated	Standalone	Standalone
Net Cash flow (used) in / generated from Operating Activities	(35.90)	18.15	25.30
Net Cash flow (used) in / generated from Investing Activities	(541.26)	0.28	(25.67)
Cash Flow (used) in / generated from Financing Activities	577.14	(19.35)	1.04
Net increase/(decrease) in cash and cash equivalents	(0.02)	(0.92)	0.67

11. **Financial Indebtedness Risk:** Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, financial condition, results of operations and cash flows. As of August 23, 2024, our outstanding borrowings on a consolidated basis was ₹ 1,013.25 million (both fund based and non-fund based). For details, please refer chapter "Financial Indebtedness" on page 341 of the Prospectus.

12. **Raw Material Risk:** We depend upon third-party suppliers for supply of certain raw materials. We are exposed to fluctuations in the prices of these raw materials as well as its unavailability, particularly as we typically do not enter into any long-term supply agreements with our suppliers. The below table showcases, purchase value of raw material for the Fiscal 2024 (on a consolidated basis) and for the Fiscals 2023 and 2022 (on a standalone basis):

(₹ in million, except percentages)

Description	Fiscal					
	2024 (Consolidated)		2023 (Standalone)		2022 (Standalone)	
	Amount	% of Total Purchases	Amount	% of Total Purchases	Amount	% of Total Purchases
Raw Materials	1,934.01	96.10%	1,060.43	97.28%	1,000.19	97.10%

13. The Price to Earnings ratio (P/E ratio) based on diluted EPS for Fiscal 2024 at the cap price is 23.75 as compared to the average industry peer group P/E ratio of 34.17

14. The average cost of acquisition of Equity Shares of face value of ₹5 each for our Promoters Selling Shareholders as on the date of the Prospectus:

Name	Number of Equity Shares	Average cost of acquisition per Equity Share (in ₹)*
Dr. Kalamparambil Varkey Tolin	13,691,834	8.87
Jerin Tolin	12,049,363	5.59

*As certified by Krishnan Retha & Associates, Chartered Accountants, the Statutory Auditor of our Company pursuant to their certificate dated September 11, 2024.

15. Weighted Average Return on Net Worth for Financial Years ended 2024, 2023 and 2022 is 22.47%

16. Weighted average cost of acquisition for all shares transacted in the last three years, eighteen months and one year preceding the date of the Prospectus is as follows:

Period	Weighted Average Cost of Acquisition (WACA) (in ₹)*	Cap Price is 'X' times the WACA*	Range of acquisition price: Lowest price - highest price (in ₹)*
Last 3 years	20.47	11.04	0* - 118
Last 18 months	26.61	6.49	0* - 118
Last 1 year	26.61	6.49	0* - 118

*As certified by Krishnan Retha & Associates, Chartered Accountants, the Statutory Auditor of our Company pursuant to their certificate dated September 11, 2024.

* The Lower Price of Equity shares adjusted for the bonus and sub-division of Equity Share from face value of ₹100 each to face value of ₹5 each.

17. Weighted average cost of acquisition (WACA), floor price and cap price

Past Transactions	Weighted average cost of acquisition (in ₹)	Floor Price (₹ 215/-)	Cap Price (₹ 226/-)
WACA of Primary issuances during the 18 months prior to the date of the Prospectus	26.61*	8.08*	6.49*
WACA of Secondary issuances during the 18 months prior to the date of the Prospectus	Not Applicable	Not Applicable	Not Applicable

*As certified by Krishnan Retha & Associates, Chartered Accountants, the Statutory Auditor of our Company by way of their certificate dated September 11, 2024.

18. The only BRLM associated with the Offer have handled 2 public issues in the past three financial years, out of which 1 issue have closed below the offer price on the listing date.

Name of the BRLM	Total Public Issues	Issues closed below the IPO Price on listing date
South Capital Advisors Private Limited	2	1

Continued on next page.

