

Date: 15<sup>th</sup> May 2025

To,

Tolins Tyres Limited.

No. 1/47, M C Road, Kalady,

Ernakulam, Aluva - 683 574,

Kerala, India.

**Subject: Monitoring Agency Report for the quarter ended 31<sup>st</sup> March 2025 in relation to Initial Public Offer (IPO).**

Dear Sir,

Pursuant to Regulation 41 (2) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") and Monitoring Agency Agreement dated 27<sup>th</sup> August 2024, please find enclosed herewith the Monitoring Agency Report, as per Schedule XI of the SEBI ICDR Regulations towards utilization of proceeds of IPO, for the quarter ended March 31, 2025.

Request you to kindly take the same on records.

Thanking You,

For and on behalf of India Ratings & Research Private Limited

Name: Shrikant Dev

Designation: Company Secretary

**Report of the Monitoring Agency (MA)**

Name of the issuer: **Tolins Tyres Limited**

For quarter ended: **31<sup>st</sup> March 2025**

Name of the Monitoring Agency: **India Ratings & Research Private Limited**

(a) Deviation from the objects: No deviation from the objects.

Based on the Management undertaking and as per the Statutory Auditor Certificate dated 13<sup>th</sup> May 2025 issued by Krishnan Retna & Associates, Chartered Accountants (FRN – 001536S) having UDIN 25231162BMISBY5566\* and other documents provided to us, no deviation from the objects has been observed.

\*The reference to the Statutory Auditor Certificate anywhere in the MA report refers to the said Certificate.

(b) *Range of Deviation: Not Applicable*

**Declaration:**

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit-related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "*Comments of the Board of Directors*", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

Signature:

Name and designation of the Authorized Signatory: Shrikant Dev (Company Secretary)

Date: 15<sup>th</sup> May 2025.

**1) Issuer Details:**

Name of the issuer:	Tolins Tyres Limited
Names of the promoters:	<ul style="list-style-type: none"> <li>• Dr. Kalamparambil Varkey Tolin</li> <li>• Jerin Tolin</li> </ul>
Industry/sector to which it belongs:	Manufacturing - Tyres

**2) Issue Details:**

Issue Period:	9 <sup>th</sup> September 2024 to 11 <sup>th</sup> September 2024
Type of issue (public/rights):	Initial Public Offer (IPO)
Type of specified securities:	88,49,559 Equity Shares (Fresh Issue) of FV ₹ 5 each @ ₹ 226.00 per Equity Share
IPO Grading, if any:	Not Applicable
Issue size:	INR 2,000.00 Million*

\*It is the Fresh Issue size. The issue consisted of offer for sale of INR 300.00 Mn and fresh issue of INR 2,000.00 Mn aggregating to total issue size of INR 2,300.00 Mn

**3) Details of the arrangement made to ensure the monitoring of issue proceeds:**

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	Management undertaking, Statutory Auditor Certificate, Prospectus, Relevant Bank Statements.	Refer Note 1 on page no. 8	
Whether shareholder approval has been obtained in case of material deviations from expenditures disclosed in the Offer Document?	NA	Management undertaking, Statutory Auditor Certificate	No Comments	
Whether the means of finance for the disclosed objects of the issue has changed?	No	Management undertaking, Statutory Auditor Certificate	No Comments	
Is there any major deviation observed over the earlier monitoring agency reports?	No	NA	No Comments	
Whether all Government/Statutory approvals related to the object(s) have been obtained?	NA	Management undertaking, Statutory Auditor Certificate	No Comments	

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	NA	Management undertaking, Statutory Auditor Certificate	No Comments	
Are there any favorable events improving the viability of these object(s)?	No	Management undertaking, Statutory Auditor Certificate	No Comments	
Are there any unfavorable events affecting the viability of the object(s)?	No	Management undertaking, Statutory Auditor Certificate	No Comments	
Is there any other relevant information that may materially affect the decision making of the investors?	Yes	Prospectus	Refer Below*	

\*As per DRHP dated 16<sup>th</sup> Feb'24 and prospectus dated 11<sup>th</sup> Sep'24, it is mentioned at various places including in the details of the objects section, that the Company (Tolins Tyres Limited) purchases the required Raw Material (rubber compound) from its subsidiary Tolin Rubbers Pvt. Ltd. (TRPL) which manufactures the same. However, as informed by the company and for the reasons, as stated by the company in the management response incorporated below, from the month of Sep'23 its subsidiary TRPL stopped selling the rubber compound to the Company (Tolins Tyres Limited) and started selling rubber compound to M/s. Well Pack Products (a partnership firm where Ms. Jennet Renjith, sister of a promoter, was a partner in the firm till 1<sup>st</sup> Sep'23). M/s. Well Pack Products sells the above rubber compound to the Smart Enterprises (a proprietorship whose proprietor Panely Prabhakaran Babu is an employee of the company, thus connected entity) from whom the company purchases the rubber compound. The quantum of Purchase / Sale of rubber compound by the company and its subsidiary TRPL from Smart Enterprises and to Well Pack Products is as below:

Entity	Counterparty	Transaction	Product	FY 24 (INR Crores)		FY 25 (INR Crores)	
				Purchase / Sale with counterpart	Total Purchase / Sale of Product	Purchase / Sale with counterpart	Total Purchase / Sale of Product
Tolin Rubber (Subsidiary)	Well Pack Products	Sale	Rubber Compound (FG of subsidiary)	33.93	88.08	97.74	97.74
Tolins Tyres Limited (Company)	Smart Enterprises	Purchase	Rubber Compound (RM of company)	34.97	91.06	97.19	111.38

**Management comment on Reasons behind the changes in the supply chain arrangement:**

As stated in DRHP (dt 28<sup>th</sup> September 2024, stated under "Risk factors" in Point No. 23), Tolins Tyres Ltd (TTL) sourced its rubber compound requirements from both TRPL and other external suppliers. In FY23,

TRPL accounted for 65.02% of TTL's rubber compound procurement, down from 73.10% in FY22, with the remaining requirement met through other vendors. TRPL was doing resizing & viscosity correction inhouse for supplies to TTL.

From Sep'23, TRPL outsourced resizing & viscosity correction processes to Wellpack Products & Smart Enterprises, respectively.

Wellpack and Smart, both experts in their respective processes, now form part of the supply chain to help safeguard proprietary formulas and know-how. The revised flow: TRPL → Wellpack → Smart Enterprises → Tolin Tyres. TRPL still manages all other key rubber compound processes.

Notably, Wellpack is not a related party post-Sep'23. Panely Prabhakaran Babu, proprietor of Smart Enterprises, is a long-standing associate and viscosity correction expert, engaged to maintain confidentiality and technical integrity.

This has enabled the company to achieve operational efficiency, product quality superiority and eventually helped in improving the profitability, thus benefitting all stakeholders.

**4) Details of object(s) to be monitored:**

## i. Cost of object(s)-

Sr. No.	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) (INR Million)	Revised Cost (INR Million) *	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason of Cost revision	Proposed financing option	Particulars of firm arrangements made
<i>Company: Tolins Tyres Limited</i>		Management undertaking, Statutory Auditor Certificate, Prospectus, Relevant Bank Statements.			Refer Note 1 on page no. 8			
<b>1</b>	Repayment and / or prepayment, in full, of certain outstanding loans (including foreclosure charges, if any) availed by our Company.		699.69	NA				
<b>2</b>	Augmentation of long-term working capital requirements of our Company		750.00	NA				
<i>Wholly owned Indian subsidiary: Tolin Rubbers Private Limited</i>								
<b>3</b>	Investment in our wholly owned subsidiary, Tolin Rubbers Private Limited to repay and/ or prepay, in full, certain of its short term and long-term borrowings and augmentation of its working capital requirements <b>(Total of 3a+3b)</b>		<b>231.54</b>	NA				
3a	Repayment and / or prepayment, in full, of certain outstanding loans of our wholly owned subsidiary, Tolin Rubbers Private Limited		151.54	NA				
3b	Augmentation of long-term working capital requirements of our wholly owned subsidiary, Tolin Rubbers Private Limited		80.00	NA				
<b>4</b>	General Corporate Purposes		156.76	NA				
	<b>TOTAL (A=1+2+3+4)</b>		<b>1,837.99</b>					
	Offer related expenses in relation to the Fresh Issue (B)		162.01	NA				
	<b>TOTAL (A+B)</b>	<b>2,000.00</b>						

\*Refer Note 1 on page no. 8

ii. Progress in the object(s) –

Sr. No.	Item Head	Source of information/certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document (INR Million)	Amount Utilized (INR Million)			Total unutilized amount (INR Million)	Comments of the Monitoring Agency	Comments of the Board of Directors					
				As at beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action				
<i>Company: Tolins Tyres Limited</i>														
1	Repayment and / or prepayment, in full, of certain outstanding loans (including foreclosure charges, if any) availed by our Company.	Management undertaking, Statutory Auditor Certificate, Prospectus, Relevant Bank Statements, Copy of Invoices.	699.69	708.38	-	708.38	(8.69)	Refer Below*						
2	Augmentation of long-term working capital requirements of our Company		750.00	285.62	26.05	311.67^	438.33							
<i>Wholly owned Indian subsidiary: Tolin Rubbers Private Limited</i>														
3	Investment in our wholly owned subsidiary, Tolin Rubbers Private Limited to repay and/ or prepay, in full, certain of its short term and long-term borrowings and augmentation of its working capital requirements <b>(Total of 3a+3b)</b>		231.54	230.95	-	230.95	0.59							
3a	Repayment and / or prepayment, in full, of certain outstanding loans of our wholly owned subsidiary, Tolin Rubbers Private Limited		151.54	148.40	-	148.40	3.14							
3b	Augmentation of long-term working capital requirements of our wholly owned subsidiary, Tolin Rubbers Private Limited		80.00	82.55	-	82.55	(2.55)							
4	General Corporate Purposes		156.76	81.75	-	81.75	75.01							
	Offer related expenses in relation to the Fresh		162.01	129.69	16.90	146.60	15.41							
	<b>TOTAL</b>			<b>2,000.00</b>	<b>1,436.40</b>	<b>42.95</b>	<b>1,479.36</b>				<b>520.64</b>			

^Out of the INR 311.67 Mn, the company has paid INR 178.27 Mn to Smart Enterprises against the purchases (a proprietorship whose proprietor Panely Prabhakaran Babu, an employee of the company, thus connected entity). Further, according to the arrangement stated above on page no. 4, the Subsidiary Company, Tolin Rubbers Private Limited receives the collections from M/s. Well Pack Products against the sales undertaken by it.

\*The Company has invested INR 231.56 Mn in the wholly owned subsidiary, Tolin Rubbers Private Limited in the form of Equity Shares. Out of the INR 231.56 Mn transferred from the issue proceeds by the Company, the said subsidiary has utilized INR 230.95 Mn for the above stated object no. 3. Balance INR 0.61 Mn is lying unutilized in the bank account of the said subsidiary.

**Note 1:** As on 31<sup>st</sup> Mar'25, the company has utilized INR 708.38 Mn and INR 82.55 Mn for object no. 1 and 3b respectively against the INR 699.69 Mn and INR 80.00 Mn as disclosed in the prospectus.

iii. Deployment of unutilized IPO proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested (INR Million)	Maturity date	Earnings (INR Million) *	Return on Investment (%)^	Market Value as at the end of the quarter (INR Million)
1	FD with Axis Bank A/c No. 925040068318585	45.00	28-Apr-25		5.75%	
2	FD with Axis Bank A/c No. 925040068323477	30.00	29-May-25		6.00%	
3	FD with Axis Bank A/c No. 925040068323639	30.00	29-May-25		6.00%	
4	FD with Axis Bank A/c No. 925040068324221	30.00	5-Apr-25		4.75%	
5	FD with Axis Bank A/c No. 925040068324344	30.00	5-Apr-25		4.75%	
6	FD with Axis Bank A/c No. 925040068325130	30.00	28-Apr-25		5.75%	
7	FD with Axis Bank A/c No. 925040068325402	30.00	29-May-25		6.00%	
8	FD with HDFC Bank A/c No. 50301045375009	260.00	30-Sep-25		7.81%	
9	Closing Balance lying in the HDFC Bank CC Account No. 50200079804120	10.74				
10	Closing Balance lying in the Axis Bank Monitoring Account No. 924020044296260	0.84				
11	Closing Balance lying in the Axis Bank Public Issue Account No. 924020042497508	23.40				
12	Closing Balance lying in the Axis Bank Account No. 923020042869744	0.05				
13	Closing Balance lying with subsidiary in the South Indian Bank Account No. 0331083000000005	0.61				
	<b>TOTAL</b>	<b>520.64</b>				

^Annualized return

\*Earnings will be realized on maturity of deposits/premature closure of deposits.

iv. Delay in implementation of the object(s)

Object(s)	Completion Date		Delay (no. of days/months)	Comments of the Board of Directors	
	As per the Offer Document *	Actual		Reason of Delay	Proposed Course of action
Repayment and / or prepayment, in full, of certain outstanding loans (including foreclosure charges, if any) availed by our Company.	Fiscal 2025	Ongoing	NA		
Augmentation of long-term working capital requirements of our Company					
Repayment and / or prepayment, in full, of certain outstanding loans of our wholly owned subsidiary, Tolin Rubbers Private Limited					
Augmentation of long-term working capital requirements of our wholly owned subsidiary, Tolin Rubbers Private Limited					
General Corporate Purposes					

\*Latest/revised completion date is 31.12.2025

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

Sr. No.	Item Head	Amount (INR Million)	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Not Applicable as NIL amount utilized for GCP during the quarter					

**Disclaimers:**

The MA Report is prepared by India Ratings. India Ratings has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable.

India Ratings declare that the MA Report is based on the format prescribed by the SEBI (ICDR) Regulations, 2018. This declaration forms part of and applies to each MA Report that is issued by India Ratings. The MA Report does not constitute an offer of services. Access or use of any MA Report does not create a client relationship between India Ratings and the Applicant or between India Ratings and User of the report.

This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments.

Please note that the information presented in the MA Report is based solely on the review of the requisite information, documents, papers, statements received from the Company with regard to the use of the Issue Proceeds including the status of implementation of the activities proposed to be funded out of the Issue proceeds as stated in the Prospectus. India Ratings has not verified any source of information such as invoices, ledgers or payment receipts and other documents either in normal course or in case of deviations from the objects, as the same is the duty of the management and the statutory auditors. India Ratings has relied in good faith and without any liability, upon the contents thereof. The user of the MA Report should understand that India Ratings does not perform an audit and undertakes no independent verification of any information/certifications/statements it receives from auditors, lawyers, chartered engineers or other experts, and relies on in its reports. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings. In issuing the MA Report, India Ratings may rely on the representations and certifications from the issuer and experts, including statutory auditors with respect to financial statements, attorneys with respect to legal and tax matters and other entities considered reliable by India Ratings. The Company shall be solely responsible and liable for any omission, commission, errors and misrepresentations in the contents of the Information provided to India Ratings. India Ratings disclaims any liability arising out of the contents of the information provided by the Company and in no event shall be held liable to anyone for any damages or claims arising out of such information.

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