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(Please scan this QR code to view the Red Herring Prospectus)

TOLINS TYRES LIMITED

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, Emakulam, 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 253 of the Red Herring Prospectus ("RHP").

Corporate Identity Number: U25119KL2003PLC016289. Registered Office: No. 1/47, M C Road, Kalady, Emakulam, 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

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE ₹5 EACH ("EQUITY SHARES") OF TOLINS TYRES LIMITED FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) (THE "OFFER PRICE"), AGGREGATING UP TO ₹2,300 MILLION COMPRISING OF A FRESH ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE ₹5 EACH, AGGREGATING TO ₹2,000 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹5 EACH, AGGREGATING UP TO ₹300 MILLION (THE "OFFER FOR SALE"), CONSISTING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹5 EACH, AGGREGATING UP TO ₹150 MILLION BY DR. KALAMPARAMBIL VARKEY TOLIN AND UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹5 EACH, AGGREGATING UP TO ₹150 MILLION BY JERIN TOLIN (COLLECTIVELY, THE "SELLING SHAREHOLDERS" AND SUCH EQUITY SHARES, THE "OFFERED SHARES").

DETAILS OF THE OFFER FOR SALE

NAME OF SELLING SHAREHOLDER	TYPE OF SELLING SHAREHOLDER	NUMBER OF EQUITY SHARES OFFERED AND AMOUNT (₹ IN MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)*
Dr. Kalamparambil Varkey Tolin	Promoter Selling Shareholder	Up to [●] Equity Shares of face value of ₹5 each, aggregating up to ₹150 million	8.87
Jerin Tolin	Promoter Selling Shareholder	Up to [●] Equity Shares of face value of ₹5 each, aggregating up to ₹150 million	5.59

*As certified by Krishnan Retna & Associates, Chartered Accountants, the Statutory Auditor of our Company pursuant to their certificate dated August 30, 2024.

Our Company is present in both verticals – manufacturing of tyres and tread rubber. We are primarily engaged in manufacturing of bias tyres for comprehensive array of vehicles (including light commercial, agricultural and two/three-wheeler vehicles) and precured tread rubber and are also involved in manufacturing of ancillary products like bonding gum, vulcanizing solution, tyre flaps and tubes.

The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations
QIB Portion: Not more than 50% of the Offer | Non-Institutional Portion: Not less than 15% of the Offer | Retail Portion: Not less than 35% of the Offer
Employee Reservation Portion: Nil

PRICE BAND: ₹ 215 TO ₹ 226 PER EQUITY SHARE OF FACE VALUE OF ₹5 EACH.

THE FLOOR PRICE AND THE CAP PRICE ARE 43 TIMES AND 45.2 TIMES THE FACE VALUE OF THE EQUITY SHARES RESPECTIVELY. BIDS CAN BE MADE FOR A MINIMUM OF 66 EQUITY SHARES AND IN MULTIPLES OF 66 EQUITY SHARES THEREAFTER.

In accordance with the recommendation of the Independent Directors of our Company, pursuant to their resolution dated August 31, 2024, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for Offer Price' section on page 147 of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, disclosed in 'Basis for Offer Price' section on page 147 of the RHP and provided below in the advertisement.

In making an investment decision and purchase in the Offer, potential investors must only rely on the information included in the RHP and the terms of the Offer, including the merits and risks involved and not rely on any other external sources of information about the Offer available in any manner.

RISKS TO INVESTORS

For details refer to section titled "Risk Factors" on page 38 of the RHP

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%

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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 Utilizations" on page 231 of the RHP.

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 340 of the RHP.
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	Percentage to Total Purchases (%)	Amount	Percentage to Total Purchases (%)	Amount	Percentage to 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 Red Herring 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 August 30, 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 Red Herring 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	21.75	10.39	0 [^] - 118
Last 1 year	26.61	8.49	0 [^] - 118

*As certified by Krishnan Retna & Associates, Chartered Accountants, the Statutory Auditor of our Company pursuant to their certificate dated August 30, 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.

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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 RHP	21.75*	9.89*	10.39*
WACA of Secondary Issuances during the 18 months prior to the date of the RHP	Not Applicable	Not Applicable	Not Applicable

*As certified by Krishnan Retna & Associates, Chartered Accountants, the Statutory Auditor of our Company by way of their certificate dated August 30, 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
Saffron Capital Advisors Private Limited	2	1

BASIS FOR OFFER PRICE

The Price Band and the Offer Price will be determined by our Company in consultation with the BRLM, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹ 5 each and the Offer Price is 43 times the face value at the lower end of the Price Band and 45.2 times the face value at the higher end of the Price Band. Investors should also refer to "Risk Factors", "Our Business", "Restated Financial Information", and "Management's Discussion and Analysis of Financial Position and Results of Operations" on pages 38, 212, 295, and 300, respectively of the RHP, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for computing the Offer Price are:

- Diversified Product Range and Customised Product Offering:** We have a wide and differentiated product portfolio, consisting of a total of 163 stock keeping units (SKUs) in the tyre category and 1,003 SKUs in tread rubber.
- Quality of Products:** (i) We have been accredited with various quality certifications such as ISO 9001:2015, IATF 16949:2016 issued by UK Certifications and almost all required sizes have got BIS product certification, which is mandatory for manufacturing and marketing Tyres in India. (ii) Our Company has also been accredited with Department of Transportation certificate from United States of America for exporting our products to USA and E mark E32 certification for Europe.
- Long standing relationship with large OEMs and dealer network in India and our Depots:** Our diversified product portfolio helps us cater to the requirements of a broad spectrum of customers which includes OEMs, domestic dealer network and our depots across the country. As of March 31, 2024, we operate a total of 8 depots and have 3,737 dealers nationwide.
- Integrated manufacturing operations coupled with in-house products and process design capabilities which offer scale, flexibility and comprehensive solutions:** (i) We are backward integrated with raw materials, design, process engineering, machining capabilities and production of moulds which allows us greater control over process, delivery timelines, pricing and quality (ii) We operate 3 Manufacturing Facilities, out of which two are based out of Kalady, Kerala, India. Out of the two manufacturing facilities located in Kalady, Kerala, India, one is owned by our Company and the other is owned by our wholly owned subsidiary, TRPL. (iii) Additionally, we possess another manufacturing unit in Al Hamra Industrial Zone in Ras Al Khaimah UAE, which is owned by TTLCC, another wholly owned subsidiary of ours.
- Locational Advantage:** Two of our manufacturing facilities are located in Kalady, which is a town in Ernakulam District of Kerala, is in close vicinity of the city of Cochin, Kerala, India. These Manufacturing Facilities are also well connected with Indian Railways through Angamaly Railway Station which is approx. 5 kms from our Manufacturing Facilities.
- Research and development and product development capabilities:** (i) Our manufacturing facility in Kalady houses a specialized R&D Centre, which is connected to the TTL Facility. The R&D team consists of 10 employees, both permanent and contract workers. (ii) Our Company developed T Grip series tyres that have been tuned for lower rolling resistance without any compromise on the life of the tyre. These tyres meet the BIS Standards. By March 31, 2024, our Company has introduced 163 new designs and products, along with producing moulds for each one.
- Experienced and Dedicated Management Team:** Our Chairman and Managing Director, Dr. Kalamparambil Varkey Tolin has more than three decades of techno commercial management experience in the rubber and tyre industry. Our management team, under his leadership, ensures the seamless coordination of purchase, operations, marketing and innovation.
- Track record of growth and financial performance:** We have established a track record of revenue growth and profitability.

For further details, see "Our Business - Our Competitive Strengths" on page 215 of the RHP.

Quantitative Factors

Certain information presented below relating to our Company is derived from the Restated Financial Information for the Fiscal 2024 (on a consolidated basis) and for Fiscals 2023 and 2022 (on a standalone basis) for last 3 years. For details, see the section titled "Restated Financial Information" on page 295 of the RHP.

Some of the quantitative factors which may form the basis for calculating the Offer Price are as follows:

I. Basic and Diluted Earnings Per Share ("EPS"):

Financial Year ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2024 (Consolidated)	9.52	9.52	3
March 31, 2023 (Standalone)	2.55	2.55	2
March 31, 2022 (Standalone)	0.35	0.35	1
Weighted Average	5.67	5.67	-

II. Price/Earning ("P/E") ratio in relation to Price Band of ₹ 215/- to ₹ 226/- per Equity Share of our Company:

Particulars	P/E at the lower end of the Price Band (number of times)	P/E at the upper end of the Price Band (number of times)
Based on basic EPS for Fiscal 2024	22.59	23.75
Based on diluted EPS for Fiscal 2024	22.59	23.75

III. Industry Peer Group P/E ratio

Based on the peer company information (excluding our Company) given below in this section:

Particulars	Industry P/E (number of times)
Highest	45.12
Lowest	24.07
Average	34.17

IV. Return on Net Worth attributable to the owners of our Company ("RoNW %") as derived from the Restated Financial Information

Fiscal ended	RoNW (%)	Weight
March 31, 2024 (Consolidated)	25.87%	3
March 31, 2023 (Standalone)	25.70%	2
March 31, 2022 (Standalone)	5.83%	1
Weighted Average	22.47%	-

V. Net Asset Value Per Equity Share (Face value of ₹ 5 each)

Fiscal ended	NAV per Equity Share (₹)
As on March 31, 2024 (Consolidated)	36.80
After the Completion of the Offer:	
- At Floor Price	83.93
- At Cap Price	84.52
- At Offer Price	•

VI. Comparison of Accounting Ratios with Listed Industry Peers

We believe following is our peer group which has been determined on the basis of listed public companies comparable in the similar line of segments in which our Company operates and whose business segment in part or full may be comparable with that of our business, however, the same may not be exactly comparable in size or business portfolio on a whole with that of our business.

Following is the comparison with our peer companies listed in India:

Name of the company	Consolidated/ Standalone	Face Value per Equity Share* (₹)	Total revenue from operations (₹) in million	EPS (₹)		NAV (₹ per share)	P/E Ratio	RoNW (%)	Closing price on August 23, 2024 (₹ per share)	PAT Margin (%)
				Basic	Diluted					
Tolins Tyres Limited*	Consolidated**	5.00	2,272.18	9.52	9.52	36.80	~†	25.87%	NA	11.45%
Listed Peer Companies										
Indag Rubber Limited	Consolidated**	2.00	2,511.85	6.15	6.15	87.46	39.94	6.79%	291.95	6.20%
Vamshi Rubber Limited	Standalone	10.00	774.21	1.87	1.87	32.54	27.94	4.46%	50.95	0.79%
TVS Srichakra Limited	Consolidated	10.00	29,260.00	140.98	140.98	1451.55	33.76	9.70%	4,185.65	3.68%
GRPLtd.	Consolidated	10.00	4,613.79	169.78	169.78	1250.57	24.07	13.58%	14,355.90	4.91%
Elgi Rubber Company Limited	Consolidated	1.00	3,864.45	2.33	2.33	37.91	45.12	6.15%	88.00	3.02%

*Financial information for our Company is derived from the Restated Financial Statements as at and for the Fiscal Year ending 2024.

**As on August 23, 2024

†Will be updated in the Prospectus.

** We have considered consolidated financial information available for Fiscal 2024 for Tolins Tyres Limited and Indag Rubber Limited.

Source: All the financial information for listed industry peers mentioned above is sourced from the audited financial statements of the relevant companies for Fiscal Year 2024, as available on the websites of the Stock Exchanges.

VII. Key financial and operational performance indicators ("KPIs")

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for the Offer Price. The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help in analysing the growth of various verticals in comparison to our Company's listed peers, and other relevant and material KPIs of the business of our Company and have a bearing for arriving at the Basis for Offer Price.

The KPIs disclosed herein below have been approved by a resolution of our Audit Committee dated July 24, 2024. The members of the Audit Committee have verified the details of all KPIs pertaining to our Company and have confirmed that verified and audited details of all the KPIs pertaining to our Company that have been disclosed to our investors at any point of time during the three years period preceding this Red Herring Prospectus have been disclosed in this section. Additionally, the KPIs have been subjected to verification and certification by Krishnan Retna & Associates, Chartered Accountants, our Statutory Auditor by their certificate dated August 28, 2024.

The KPIs of our Company have also been disclosed in the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Position and Results of Operations", on pages 212, and 300 of the RHP, respectively. We have described and defined the KPIs, as applicable, in "Definitions and Abbreviations - Key Performance Indicators" on page 17 of the RHP.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchanges or till the utilisation of the Offer Proceeds as per the disclosure made in the section "Objects of the Offer" on page 129 of the RHP, whichever is later, or for such other duration as may be required under the SEBI/ICDR Regulations.

Key Performance Indicators	Fiscal		
	2024	2023	2022
Revenue from Operations	2,272.18	1,182.46	1,133.65
Gross Profit	630.74	236.82	184.62
Gross Margin (%)	27.76%	20.03%	16.29%
EBITDA	463.74	122.61	60.90
EBITDA Margin (%)	20.41%	10.37%	5.37%
PAT	260.06	49.92	6.31
PAT Margin (%)	11.45%	4.22%	0.56%
Return on Equity (%)	25.87%	25.70%	5.83%
Return on Capital Employed (%)	36.08%	31.49%	14.80%
Debt-Equity Ratio	0.78	2.42	4.51

Explanation for the Key Performance Indicator metrics

Set out below are explanations for how the KPIs listed above have been used by the management historically to analyse, track, or monitor the operational and/or financial performance of our Company.

KPIs	Explanation
Revenue from Operations (in ₹ million)	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Gross profit (in ₹ million)	Gross Profit provides information regarding the profits from the manufacturing of products.
Gross margin (%)	Gross Profit Margin is an indicator of the profitability on sales of products manufactured sold by our Company.
EBITDA (in ₹ million)	EBITDA provides information regarding the operational efficiency of the business.
EBITDA margin (%)	EBITDA Margin is an indicator of the operational profitability and financial performance of our business.

KPIs	Explanation
Profit for the year (PAT) (in ₹ million)	Profit for the year provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin is an indicator of the overall profitability and financial performance of our business.
Return on Equity (ROE %)	ROE provides how efficiently our Company generates profits from shareholders' funds.
Return on capital employed (ROCE %)	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.
Debt to Equity Ratio	Debt to Equity Ratio is used to measure the financial leverage of our Company and provides comparison benchmark against peers.

VIII. Comparison of KPIs of our Company and our listed peers:

(₹ in million unless otherwise stated)

Key Performance Indicators	Tolins Tyres Limited	Indag Rubber Limited	Vamshi Rubber Limited	TVS Srichakra Limited
	(Consolidated)	(Consolidated)	(Standalone)	(Consolidated)
Revenue from Operations (₹)	2,272.18	2,511.85	774.21	29,260.00
Gross Profit (₹)	630.74	818.51	243.96	13,159.50
Gross Margin (%)	27.76%	32.59%	31.51%	44.97%
EBITDA (₹)	463.74	165.70	32.59	2,968.10
EBITDA Margin (%)	20.41%	6.60%	4.21%	10.14%
PAT (₹)	260.06	155.83	6.11	1,077.60
PAT Margin (%)	11.45%	6.20%	0.79%	3.68%
Return on Equity (%)	25.87%	6.79%	4.46%	9.70%
Return on Capital Employed (%)	36.08%	4.42%	13.40%	11.11%
Debt-Equity Ratio	0.78	#	1.35	0.75

Key Performance Indicators	Tolins Tyres Limited	GRP Ltd.	Elgi Rubber Company Limited
	(Consolidated)	(Consolidated)	(Consolidated)
Revenue from Operations (₹)	2,272.18	4,613.79 ^a	3,864.45
Gross Profit (₹)	630.74	2,520.94	2,078.36
Gross Margin (%)	27.76%	54.64%	53.78%
EBITDA (₹)	463.74	507.20	248.71
EBITDA Margin (%)	20.41%	10.99%	6.44%
PAT (₹)	260.06	226.37	116.61
PAT Margin (%)	11.45%	4.91%	3.02%
Return on Equity (%)	25.87%	13.58%	6.15%
Return on Capital Employed (%)	36.08%	16.74%	4.73%
Debt-Equity Ratio	0.78	0.68	1.61

Source: Details for industry peers have been sourced from the audited financial statements available on the Stock Exchanges. Details for our Company have been sourced from the Restated Financial Information.

Data not available in public domain

^a Revenue from operations (net) is calculated as gross revenue from operation less goods and service tax recovered.

IX. Comparison of KPIs based on additions or dispositions to our business.

Our Company has acquired Tolins Rubbers Private Limited and Tolins Tyres LLC (One Person) as our wholly owned Subsidiaries, w.e.f. April 1, 2023. Accordingly, Tolins Rubbers Private Limited and Tolins Tyres LLC (One Person) became Subsidiaries of our Company on April 1, 2023, and it is included in the Restated Financial Information from that date for the Fiscal 2024. Our Restated Financial Information does not include financial information of Tolins Rubbers Private Limited and Tolins Tyres LLC (One Person) prior to it becoming a Subsidiaries of our Company for the last two fiscal years 2023 and 2022.

Accordingly, comparison of KPIs is done for the Fiscal 2024 on a consolidated vis-à-vis Fiscal 2023 on a standalone basis as given below:

(₹ in million unless otherwise stated)

Key Performance Indicators	Fiscal 2024	Fiscal 2023
	Consolidated	Standalone
Revenue from Operation	2,272.18	1,182.46
Gross Profit	630.74	236.82
Gross Margin (%)	27.76%	20.03%
EBITDA	463.74	122.61
EBITDA Margin (%)	20.41%	10.37%
PAT	260.06	49.92
PAT Margin (%)	11.45%	4.22%
Return on Equity (%)	25.87%	25.70%
Return on Capital Employed (%)	36.08%	31.49%
Debt-Equity Ratio	0.78	2.42

X. Weighted average cost of acquisition.

a) The price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on the primary/ new issue of Equity Shares or convertible securities (excluding Equity Shares issued under the ESOP Scheme and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the pre-offer paid-up share capital of our Company in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Transactions") are as follows:

Date of Allotment	Nature/ Reason of Allotment	No. of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of consideration	Total Consideration (₹ in millions)
March 10, 2023	Rights Issue	22,000,000 ^a	5 ^b	1.36 ^c	Cash	30.00
October 18, 2023	Rights Issue	84,746	5	118	Cash	10.00
October 26, 2023	Rights Issue	25,424	5	118	Cash	3.00
November 2, 2023	Rights Issue	106,746	5	118	Cash	12.60
November 7, 2023	Rights Issue	42,373	5	118	Cash	5.00
November 18, 2023	Rights Issue	516,772	5	118	Cash	60.98
November 28, 2023	Rights Issue	144,071	5	118	Cash	17.00
December 8, 2023	Rights Issue	199,283	5	118	Cash	23.52
December 21, 2023	Preferential Allotment	109,832	5	118	Cash	12.96
December 28, 2023	Preferential Allotment	3,430,025	5	118	Allotment of Equity Shares pursuant to Share Purchase Agreement	404.74
Total		26,659,272				579.79
Weighted average cost of acquisition per equity share						21.75

As certified by Krishnan Retna & Associates, Chartered Accountants, the Statutory Auditor of our Company by way of their certificate dated August 30, 2024.

* The Board of Directors at its meeting held on October 10, 2023, had approved the issuance of bonus issue of 1.6 new Equity Share for every 1 equity share held on record date which was approved by the shareholders by means of a special resolution dated October 10, 2023. Through a Board resolution dated October 12, 2023, our Company has allotted 800,000 equity shares of face value of ₹100 each as bonus shares to the existing equity shareholders of our Company. Accordingly, the equity shares were adjusted for bonus shares issued.

^a Pursuant to a resolution passed by our Board in its meeting held on October 12, 2023, and approved by the Shareholders at their meeting held on October 13, 2023, each fully paid-up equity shares of our Company having face value of ₹ 100 was sub-divided into 20 Equity shares of face value of ₹ 5 each. Therefore, the paid-up share capital as on October 13, 2023, has been sub-divided from ₹130,000,000 divided into 1,300,000 Equity Shares of face value ₹100 each to ₹130,000,000 divided into 26,000,000 Equity Shares of face value ₹ 5 each. Accordingly, the equity shares were adjusted for sub-division of equity shares.

^b The Equity Shares transacted during this period were with a face value of ₹100 per share before sub-division of shares. Accordingly, the issue price per equity share has been adjusted for the sub-division in the face value of the equity shares Pursuant to a resolution passed by our Board in its meeting held on October 12, 2023, and approved by the Shareholders at their meeting held on October 13, 2023 and allotment of bonus issue of Equity Shares in the ratio 1.6:1** pursuant to board resolution dated October 12, 2023, which was authorised by a resolution of our Board dated October 10, 2023 and a resolution of our Shareholders dated October 10, 2023.

** The Company had inadvertently in the Shareholders' resolution dated October 10, 2023 mentioned the bonus ratio as 1:1.6 instead of 1.6:1. However the allotment of shares have taken place on the ratio of 1.6 equity shares for every one equity share held by the shareholders.

b) Price per share of the Company (as adjusted for corporate actions, including bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) where Promoters or members of the Promoter Group or Selling Shareholders or other shareholders with rights to nominate directors are a party to the transaction during the 18 months preceding the date of filing of the Red Herring Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-offer capital before such transactions and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions")

c) Weighted average cost of acquisition, floor price and cap price

Past Transactions	Weighted average cost of acquisition (in ₹)	Floor Price (₹ 215/-)	Cap Price (₹ 226/-)
Weighted average cost of acquisition of primary issuances	21.75	9.89*	10.39*
Weighted average cost of acquisition of secondary issuances	Not Applicable	Not Applicable	Not Applicable

*As certified by Krishnan Retna & Associates, Chartered Accountants, the Statutory Auditor of our Company by way of their certificate dated August 30, 2024.

For notes relating to point nos. I, II, III, IV, V, VI, VII, VIII, IX & X above, please refer chapter titled "Basis for Offer Price" on page 147 of the RHP.

Investors

