



**Issue Opens – September 9, 2024 to September 11, 2024**

**Price Band**  
**₹215 to ₹226**

**Face Value**

₹5 per share

**Lot Size**

66 Shares

**Issue Size**

₹230.00 Cr

**Issue Type**

Book Built

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# Important Events



**Issue Size**

**10,176,992 shares / ₹230.00 Cr**

**Fresh Issue**

**8,849,558 shares / ₹200.00 Cr**

**Offer for Sale**

**1,327,434 shares of ₹5 / ₹30.00 Cr**

**Basis of Allotment**

**Thursday, September 12, 2024**

**Initiation of Refunds**

**Friday, September 13, 2024**

**Credit of Shares to Demat**

**Friday, September 13, 2024**

**Style Retail IPO Listing Day**

**Monday, September 16, 2024**

## Objects of The Offer

The Company proposes to utilise the Net Proceeds from the Fresh Issue towards funding the following objects:

1. Repayment and/or prepayment, in full, of certain outstanding loans (including foreclosure charges, if any) availed by the Company;
2. Augmentation of long-term working capital requirements of the company;
3. Investment in the 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; and
4. General corporate purposes.



# Brief profile of the Directors

**Dr. Kalamparambil Varkey Tolin**, 54, is the Chairman and Managing Director, and one of the company's founders. He holds a BA from Mahatma Gandhi University and a PhD in production management from Colombo University. With 32 years of experience in the tyre industry, he oversees the company's growth and strategy.

**Sankarakrishnan Ramalingam**, 63, is the Whole-time Director since September 2023. He has 40 years of banking and investment experience and oversees corporate governance and compliance.

**Joseph P M**, aged 50 years, is an Independent Director of their Company. He has been associated with their Company since January 17, 2024. He is a qualified MBBS from Kempagowda Institute of Medical Sciences, Bengaluru, Karnataka and holds a diploma in Orthopaedics from the Rajiv Gandhi University of Health Sciences, Bengaluru Karnataka. He has been serving as an orthopaedic consultant in the Ortho Department of P.M.M Hospital, Kerala since 2007.

**Sankar Parameswara Panicker**, aged 53 years, is an Independent Director of their Company. He has been associated with their Company since January 17, 2024. He holds a Bachelor of Commerce degree from the Mahatma Gandhi University and a bachelor of law degree from Cochin University of Science and Technology, Kochi, Kerala. He is a fellow member of the Institute of Cost Accountants of India and an Insolvency Professional registered with the Insolvency and Bankruptcy Board of India. Previously he was employed at Faramonte Group, HDFC Bank, ICICI Bank.

**Cris Anna Sojan**, aged 31 years, is an Independent Director of their Company. She has been associated with their Company since January 17, 2024. She is an associate member of the Institute of Chartered Accountant of India. Previously, she was associated with EY Global Delivery Services for a period of 5 years. Presently, she is selfemployed as an independent practicing chartered accountant.

# About The Company.



Tolins Tyres Limited is a leading manufacturer of bias tyres, precured tread rubber, and other tyre-related products. With a focus on quality, innovation, and customer satisfaction, Tolins has established a strong presence in both the domestic and international markets. The company's expertise in product development, manufacturing, and distribution has enabled it to build long-term relationships with customers and become a trusted name in the tyre industry. Tolins Tyres' commitment to excellence and operational efficiency positions it for continued growth and success.

## Key operation of their Business

### Product Range

- **Tyres for Various Vehicles:** Two and Three-Wheeler Tyres: Designed for urban commuting, these tyres provide a balanced ride suitable for busy streets and diverse terrains.
- **Light Commercial Vehicle (LCV) Tyres:** These tyres are crafted for both daily urban use and heavy-duty deliveries, ensuring grip and resilience.
- **Agricultural Tyres:** Built for reliability, these tyres are engineered to perform well in various agricultural conditions, enhancing productivity for farmers.
- **Precured Tread Rubber:** Tolins produces precured tread rubber, which is recognized for its superior traction and longevity, catering to the retreading market.
- **Retreading Products:** The company offers a comprehensive range of retreading products, including bonding gum, vulcanizing solutions, tyre flaps, and tubes, which are essential for maintaining and extending the life of tyres.

**Manufacturing and Quality Control:** Tolins Tyres operates three manufacturing facilities located in India and the UAE. These facilities adhere to stringent quality standards and utilize advanced technology to ensure the durability and performance of their products. The company emphasizes operational excellence through comprehensive standardization and innovation, from procurement to delivery.

# Statement of Profit and Loss



(All amounts are in ₹ million, unless otherwise stated)

Particulars	For the year ended March 31,		
	2024	2023	2022
	(Consolidated)	(Standalone)	(Standalone)
<b>INCOME</b>			
Revenue from operations	2,272.18	1,182.46	1,133.65
Other income	14.75	14.33	10.21
<b>Total Income</b>	<b>2,286.93</b>	<b>1,196.79</b>	<b>1,143.86</b>
<b>EXPENSES</b>			
Cost of Raw Material Consumed	1,759.07	1,007.62	992.46
Purchases of stock-in-trade	-	-	-
Changes in inventories of Finished Goods, Work-in-Progress and stock-in-trade	(117.63)	(61.97)	(43.44)
Employee benefits expense	68.94	33.20	36.50
Finance costs	115.80	50.52	42.96
Depreciation and amortisation expense	33.71	16.14	19.62
Other expenses	98.06	81.01	87.22
<b>Total expenses</b>	<b>1,957.95</b>	<b>1,126.52</b>	<b>1,135.32</b>
<b>Restated profit before tax</b>	<b>328.98</b>	<b>70.27</b>	<b>8.54</b>
<b>Tax expenses:</b>			
1. Current tax	65.46	19.47	3.27
2. Deferred tax	3.46	0.88	(1.04)
3. Tax expense relating to earlier years	-	-	-
<b>Total tax expense</b>	<b>68.92</b>	<b>20.35</b>	<b>2.23</b>
<b>Restated profit/ (loss) for the year</b>	<b>260.06</b>	<b>49.92</b>	<b>6.31</b>
<b>Restated Other Comprehensive Income /(Loss)</b>			
<b>Restated Other Comprehensive Income /(Loss) for the year (net of tax)</b>	<b>1.23</b>	<b>0.06</b>	<b>0.09</b>
<b>Restated Total Comprehensive Income /(Loss) for the year</b>	<b>261.29</b>	<b>49.98</b>	<b>6.40</b>
<b>Restated earnings per equity share (Face value of ₹ 5 each)</b>			
<b>Basic &amp; Diluted EPS (₹)</b>	<b>9.52</b>	<b>2.55</b>	<b>0.35</b>

# Key Financial Highlights



The below table sets is for key financial parameters

(₹ in million unless otherwise stated)

Key Performance Indicators	Fiscal		
	2024	2023	2022
	Consolidated	Standalone	
Revenue from Operations <sup>(1)</sup>	2,272.18	1,182.46	1,133.65
Gross Profit <sup>(2)</sup>	630.74	236.82	184.62
Gross Margin (%) <sup>(3)</sup>	27.76%	20.03%	16.29%
EBITDA <sup>(4)</sup>	463.74	122.61	60.90
EBITDA Margin (%) <sup>(5)</sup>	20.41%	10.37%	5.37%
PAT <sup>(6)</sup>	260.06	49.92	6.31
PAT Margin (%) <sup>(7)</sup>	11.45%	4.22%	0.56%
Return on Equity (%) <sup>(8)</sup>	25.87%	25.70%	5.83%
Return on Capital Employed (%) <sup>(9)</sup>	36.08%	31.49%	14.80%
Debt-Equity Ratio <sup>(10)</sup>	0.78	2.42	4.51

## Market Share of tyres and retread tyres of our Company in India and globally:

The below table sets forth the details of product-wise market share of their Company:

(Amount in ₹ million)

Product Category	Company Revenue	Indian Market Size <sup>*</sup>	Global Market Size	Company Market Share in India (%)	Company Market Share Globally (%)
Tyres	551.22	900,000	19,476,400 <sup>#</sup>	0.06%	0.00%
Retread Tyres	1,720.96	63,000 <sup>^</sup>	940,240 <sup>@</sup>	2.73%	0.18%

# Strengths



- **Diverse Product Portfolio** - Tolins Tyres boasts a comprehensive product range, including: 1) 163 Tyre SKUs: Covering various vehicle types, including two and three-wheelers, light commercial vehicles, and agricultural vehicles. 2) 1,003 Tread Rubber SKUs: This extensive range allows the company to cater to different market segments and customer needs effectively.
- **Strong Manufacturing Capabilities** - The company operates three strategically located manufacturing facilities in India and the UAE, which enhances its production efficiency and supply chain management. This integrated approach supports timely delivery and reduces operational costs.
- **Focus on Quality and Innovation** - Tolins Tyres emphasizes stringent quality control measures, resulting in low product recall rates. The company is committed to continuous product innovation, ensuring that its offerings meet evolving market demands and customer expectations.
- **Robust Financial Performance** - Tolins Tyres has demonstrated impressive financial growth, with a revenue compound annual growth rate (CAGR) of 41% from FY22 to FY24 and a profit after tax (PAT) CAGR of 541% during the same period. Such growth reflects the company's operational efficiency and market demand for its products.
- **Competitive Pricing and Market Position** - The company is valued at an adjusted price-to-earnings (PE) ratio of 34x, which is competitive compared to its peers in the industry. This attractive valuation, combined with healthy growth prospects, makes Tolins Tyres a compelling option for investors.
- **Export Potential** - Tolins Tyres has established a significant export footprint, supplying products to over 40 countries, including markets in the Middle East and East Africa. This international presence not only diversifies revenue streams but also enhances brand recognition globally.

# Threats



- **Supplier Concentration Risk** - A significant portion of Tolins Tyres' raw materials is sourced from its top suppliers. Nearly all of the company's raw material comes from its top 10 suppliers, which could lead to vulnerabilities in the supply chain. Any disruption or shutdown at these suppliers could adversely affect production and operational efficiency.
- **Geographic Concentration** - The company's revenue is heavily reliant on the Kerala market, which exposes it to geographic concentration risk. A downturn in the local economy or regulatory changes in this region could significantly impact sales and profitability.
- **Competitive Landscape** - Tolins Tyres operates in a highly competitive market, facing pressure from both organized and unorganized players in the tire manufacturing and retreading sectors. This competitive environment can affect pricing power and profit margins, potentially limiting growth opportunities.
- **Dependence on Key Customers** - The company has established strong relationships with key customers, but this also means a high dependence on a few major clients for a substantial portion of its revenue. Any loss of these key accounts could negatively impact financial performance.
- **Operational Risks** - With three manufacturing facilities, any operational disruptions, such as machinery breakdowns or regulatory compliance issues, could hinder production capabilities. This risk is compounded by the company's relatively smaller scale compared to larger competitors in the industry.
- As a manufacturer, Tolins Tyres is subject to various regulations and standards, both domestically and internationally. Changes in regulatory requirements could necessitate additional compliance costs or operational adjustments, impacting profitability.



# Valuation and Outlook



Tolins Tyres Limited IPO is expected to be priced between ₹215 to ₹226 per share. At this price, the company shows a Price-to-Earnings (P/E) ratio of 23.73x with an FY24 EPS of ₹9.52. Whereas the ind P/E 34.17x.

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	[●] <sup>†</sup>	25.87%	[●] <sup>†</sup>	11.45%
<b>Listed Peer Companies</b>										
Indag Rubber Limited	Consolidated**	2.00	2,511.85	6.15	6.15	87.46	39.94	6.79%	245.65	6.20%
Vamshi Rubber Limited	Standalone	10.00	774.21	1.87	1.87	32.54	27.94	4.46%	52.25	0.79%
TVS Srichakra Limited	Consolidated	10.00	29,260.00	140.98	140.98	1451.55	33.76	9.70%	4,759.00	3.68%
GRP Ltd	Consolidated	10.00	4,613.79	169.78	169.78	1250.57	24.07	13.58%	4,085.80	4.91%
Elgi Rubber Company Limited	Consolidated	1.00	3,864.45	2.33	2.33	37.91	45.12	6.15%	105.14	3.02%

If we look at Price-to-Earnings (P/E) Ratio, the valuation is in line with industry peers, reflecting the company's growth potential and operational efficiency. The company has shown strong financial growth, with a revenue CAGR of 41% and a profit after tax CAGR of 541% from FY22 to FY24. This growth is driven by capacity expansion and a diversified product range, including new tyres and tread rubber. Overall, Tolins Tyres' IPO is attractively positioned with fair valuations and promising growth, especially in the agricultural and electric vehicle segments.

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