

**34. CERTIFICATE ON UTILIZATION OF LOANS FOR THE PURPOSE IT WAS AVAILED BY  
TOLINS TYRES LIMITED**

To,

**The Board of Directors**

**Tolins Tyres Limited**

1/ 47, M.C. Road,  
Kalady P.O., Ernakulam– 683 574,  
Kerala, India.

**Saffron Capital Advisors Private Limited**

605, 6th Floor, Center Point,  
Andheri Kurla Road, J.B. Nagar,  
Andheri (East), Mumbai – 400 059,  
Maharashtra, India.

(Saffron Capital Advisors Private Limited referred to as the “**Book Running Lead Manager**”)

Dear Sir(s),

**Sub: Proposed initial public offering of equity shares of face value of ₹ 5/- each (the “Equity Shares”) of  
Tolins Tyres Limited (the “Company” and such offering, the “Offer”)**

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We, **Krishnan Retna & Associates, Chartered Accountants**, the Statutory Auditor of the Company understand that in connection with the Offer and in compliance with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”), the Company is required to obtain a certificate from the statutory auditor of the Company, with regard to the utilization of loans that are to be repaid/prepaid in full or part from the proceeds of the Offer for the purpose for which such loans have been availed.

Accordingly, we have received a request from the Company to provide certain confirmations in relation to the loans, advances and working capital facilities from the lenders of the Company as on **August 23, 2024** including with respect to their utilization of such loans (“**Loans**”) by the Company. We understand that the Company intends to use a portion of the proceeds from the fresh issue component of the proposed offer in order to repay the loans availed by the Company. As on **August 23, 2024**, the loans aggregate to a sanctioned amount of **₹ 763.13 million** and total outstanding was **₹ 699.69 million**, on a standalone basis.

We have reviewed the (a) the restated financial statements of the Company as at the end of and for Fiscals 2024 (on a consolidated basis), 2023 and 2022 (on a standalone basis), (“**Review Period**” and such financial statements, “**Restated Financial Statements**”); (b) relevant records, ledger entries and registers of the Company; (c) documents pertaining to the Loans, including, *inter alia*, sanction letters issued by the banks/ financial institutions, loan agreements, deeds of hypothecation, memoranda of deposit, other letters and correspondence between the lenders and the Company; and (d) documents pertaining to balance confirmations received from relevant lenders, for the purpose of issuing this certificate.

We have also verified the details of each of the Loans and traced the same with the books of account and records maintained by the Company and other relevant supporting records and documents to examine whether these are in conformity with the purpose as per the sanction letters of each of the Loans.

Accordingly, we hereby confirm that details and information with respect to the such loans as provided in **Annexure A** is true, fair, correct, accurate, not misleading and without omission of any matter that is likely to mislead and adequate to enable potential investors to make a well-informed decision. Further, we confirm that as on date, the Loans have been utilized for the purpose as mentioned in the respective sanction letters/loan agreements issued by the relevant lenders.

We confirm that the information in this certificate is true, fair, correct, accurate and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

We hereby confirm that while providing this certificate we have complied with the Code of Ethics and the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the Institute of Chartered Accountants of India.

This certificate is issued for the purpose of the Offer, and can be used, in full or part, for inclusion in the Red Herring Prospectus (such Red Herring Prospectus or the “RHP”) and the Prospectus (the “Prospectus”) and any other document in relation to the Offer (such documents or materials collectively with the RHP and Prospectus, the “Offer Documents”) which may be filed by the Company with Securities and Exchange Board of India (“SEBI”), BSE Limited and National Stock Exchange of India Limited (collectively, the “Stock Exchanges”), Registrar of Companies, Ernakulam, Kerala (the “RoC”) and / or any other regulatory or statutory authority.

We hereby consent to our name and the aforementioned details being included in the Offer Documents and/or consent to the submission of this certificate as may be necessary, to any regulatory / statutory authority, stock exchanges, any other authority as may be required and/or for the records to be maintained by the BRLM in connection with the Offer and in accordance with applicable law.

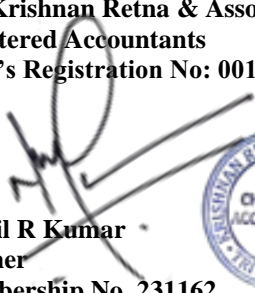
This certificate may be relied on by the BRLM, their affiliates and legal counsel in relation to the Offer and to assist the BRLM in conducting and documenting their investigation of the affairs of the Company in connection with the Offer. We hereby consent to this certificate being disclosed by the BRLM, if required (i) by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

We undertake to update you of any changes in the abovementioned position until the date the Equity Shares issued pursuant to the Offer commence trading on the stock exchanges. In the absence of any communication from us till the Equity Shares commence trading on the stock exchanges, you may assume that there is no change in respect of the matters covered in this certificate.

All capitalized terms used but not defined herein shall have the meaning assigned to them in the Offer Documents.

Yours Sincerely,

**For Krishnan Retna & Associates**  
**Chartered Accountants**  
**Firm's Registration No: 001536S**

  
**Nikhil R Kumar**  
**Partner**  
**Membership No. 231162**  
**Place: Ernakulam**  
**Date: August 28, 2024**  
**UDIN: 24231162BKESXR4509**



*Encl: Annexure A*

**M/s. Crawford Bayley & Co.**  
State Bank Building, 4th Floor  
NGN Vaidya Marg,  
Fort, Mumbai – 400 023,  
Maharashtra, India.

**ANNEXURE A**
*(Amount ₹ in million)*

| Name of the Lender                  | Date of sanction letter | Nature of borrowings                     | Purpose                      | Amount sanctioned | Amount outstanding as on August 23, 2024 | Amount proposed to be repaid from the Net Proceeds | Repayment Date / Schedule   | Interest Rate (%)                       | Pre-payment penalty/ clause  | Whether the loan has been utilized for the purpose for which it was availed |
|-------------------------------------|-------------------------|--|------------------------------|-------------------|--|--|---|---|--|---|
| Axis Bank                           | July 10, 2023           | Working Capital – Cash credit            | Working capital              | 400.00            | 382.48                                   | 382.48   | CC will be allowed for a period of 365 days and the limits to be renewed thereafter.                            | 9.50                                    | Not Applicable   | Yes   |
| Axis Bank                           | July 05, 2024           | Adhoc Working Capital Demand Loan (WCDL) | For working capital purposes | 45.00             | 45.00                                    | 45.00  | ₹ 22.50 million shall be repaid on 90th day and balance amount of ₹ 22.50 million on 120th from sales proceeds. | 9.5% (Repo +3.00%) at monthly intervals | 2% of the amount prepaid   | Yes   |
| HDFC Bank                           | June 24, 2024           | Vehicle loan                             | For purchase of Vehicle      | 10.00             | 9.87                                     | 9.87   | 60 months repayment with 1st instalment shall start from August 05, 2024.                                       | 8.65                                    | Not applicable   | Yes   |
| HDFC Bank                           | March 31, 2023          | Cash credit                              | Working capital              | 200.00            | 198.86                                   | 198.86   | Monthly rests, unless otherwise specified. Interest needs to be serviced by the 3 <sup>rd</sup> of every month. | 9.50*                                   | Not Applicable (facility agreement required as mentioned in the Sanction letter, that pre-closure charges is applicable) | Yes   |
| Standard Chartered                  | November 5, 2016        | Term loan                                | Business Expansion           | 50.10             | 30.72                                    | 30.72  | Repayment is for a period of 180 months effective from December 1, 2016   | 9.95                                    | 2%+Service Tax   | Yes   |
| Standard** Chartered                | August 27, 2020         | Term loan                                | Working capital              | 8.87              | 0.28                                     | 0.28   | 5 years with initial repayment moratorium of 12 months  | 9.25                                    | Not applicable   | Yes   |
| Piramal Capital and Housing Finance | March 31, 2017          | Term loan                                | Plant & Machinery            | 25.17             | 14.61                                    | 14.61  | 120 months payable monthly  | 10.50                                   | prepayment charges at the rate prescribed by DHFL from time  | Yes   |

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|--------------------|-------------------------|----------------------|-------------------|-------------------|--|--|---------------------------|--|---|---|
| Limited            |                         |                      |                   |                   |  |  |                           |  | to time shall be levied at the sole discretion of DHFL  |   |
| Yes Bank           | November 5, 2019        | Term Loan            | Plant & Machinery | 20.00             | 16.50                                    | 16.50  | 180 months                | 10.10% (4.71% + 6 month Certificate of deposit rate) | a) 0-12 months: No closure allowed with own funds and Balance Transfer.<br>b) 13-24 months: 0% if top up is not provided by Yes Bank Ltd and closure through own funds; 3% if closure through Balance Transfer.<br>c) 25-36 months: 1% if closure through own funds and 2.5% if closure through Balance Transfer.<br>d) 37 month and above: 0% if closure through own funds and 1.5% if closure through | Yes   |

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|--------------------|-------------------------|----------------------|----------------------|-------------------|--|--|--|-------------------|-----------------------------|---|
| Yes                | July 23, 2021           | Term Loan- GECL      | Business Requirement | 3.99              | 1.37                                     | 1.37   | 48 months (Interest only for the first 12 months and EMI for the balance 36 months.) | 8.90              | Nil                         | Yes   |
| <b>Grand Total</b> |                         |                      |                      | <b>763.13</b>     | <b>699.69</b>                            | <b>699.69</b>                                      |  |                   |                             |   |

\*The Company has received an email dated February 07, 2024 from HDFC Bank for revision in the interest rate from 10.25% (linked with 3 months T-bill) as mentioned in the sanction letter to 9.50%.

\*\*Sanction Letter of Standard Chartered Bank is not available in the records of the Company, however on the request of the Company for details of the loan and sanction letter, in reply to email received from the bank on February 07, 2024, shared the detailed loan statement of the said loan, which states the disbursement of loan is August 27, 2020. The Company has utilised the said loan for working capital under the term loan facility availed.