

## Kross IPO

**Kross IPO Price:** ₹228 to ₹240 per share

**IPO Dates:** 9 September 2024 - 11 September 2024



### Company Overview

Kross Limited, originally known as Kross Manufacturers (India) Private Limited, was established in 1991. The company specializes in the manufacturing and supply of trailer axles and suspensions, along with a wide range of high-performance, safety-critical forged and precision-machined parts for medium and heavy-duty commercial vehicles (M&HCV) and agricultural equipment. With over three decades of experience, Kross has grown to be one of the prominent manufacturers in the industry, recognized for its diverse portfolio and strong product development capabilities.

### Product Portfolio

Kross Limited offers an extensive product range, including axle shafts, companion flanges, anti-roll bars, stabilizer bar assemblies, suspension linkages, differential spiders, bevel gears, planet carriers, inter-axle kits, rear-end spindles, pole wheels, and various tractor components. These include parts for hydraulic lift arrangements, power take-off (PTO) shafts, and front axle spindles. The company manufactures safety-critical components for the M&HCV and agricultural equipment segments, catering to the needs of major original equipment manufacturers (OEMs) in these industries.

### Manufacturing Facilities

The company operates five ISO 9001:2015 certified manufacturing facilities in Jamshedpur, Jharkhand. These facilities are equipped with advanced machinery, including forging presses and upsetting lines with induction heating for billets, a foundry with a high-pressure moulding line, high-precision machining tools such as turning centres, vertical and horizontal milling centers, grinding, broaching, hobbing, shaping machines, and robotic welding systems.

Additionally, the facilities feature in-house cathodic electro dip (CED) painting systems, powder coating, spray painting, heat treatment furnaces, and induction hardening systems. Kross Limited has the capacity to manufacture forged parts weighing up to 40 kg and is

expanding its production capabilities through facility enhancements and additional production lines.

## **Client Base and Market Presence**

Kross Limited supplies its products to a diversified client base, including major OEMs that manufacture M&HCVs and tractors, tier-one suppliers to OEMs in the M&HCV segment, and domestic dealers and fabricators. The company has established long-term relationships with key clients, including Ashok Leyland Limited and Tata International DLT Private Limited, due to its consistent delivery of high-quality products. In August 2023, Kross Limited commenced bulk exports to Leax Falun AB, a Sweden-based company manufacturing propeller shafts for commercial vehicle OEMs, supplying universal joint crosses with plans to expand to other critical parts.

## **Growth and Expansion**

In 2019, Kross Limited started manufacturing and selling trailer axle and suspension assemblies, witnessing robust growth between Fiscal 2021 and Fiscal 2024. The company has emerged as one of India's fastest-growing players in the organized trailer axle manufacturing industry, competing with major manufacturers. Kross Limited's forward and backward integration capabilities, including design, process engineering, forging, casting, and machining, provide greater control over production processes, timelines, pricing, and quality.

## **Certifications and Quality Standards**

Kross Limited's manufacturing facilities have obtained several quality certifications, including ISO 9001:2015, IATF 16949:2016, ISO 14001:2015, and ISO 45001:2018 from TÜV NORD CERT GmbH. These certifications cover the manufacture of various components such as axle shafts, PTO shafts, lift shafts, universal joints, differential spiders, companion flanges, bevel kit assemblies, and trailer axle assemblies, underscoring the company's commitment to maintaining high standards in quality and safety.

## **Innovation and Customer Service**

Kross Limited leverages its in-house design capabilities and advanced technology to develop proprietary high-performance and safety-critical components. The company collaborates closely with OEMs on the design and development of products, such as anti-roll bars and stabilizer bars, ensuring tailored solutions that meet specific customer requirements. For its trailer axle and suspension assembly business, Kross Limited provides forward integration through a network of sales and service locations across key states in India. A custom service software developed by Salesforce supports accurate tracking of service complaints and service history, ensuring prompt and efficient customer service.

## Kross IPO Specifics:

IPO Date	September 9, 2024 to September 11, 2024
Listing Date	Monday, September 16, 2024
Face Value	₹5 per share
Price Band	₹228 to ₹240 per share
Lot Size	62 Shares
Total Issue Size	20,833,334 shares (aggregating up to ₹500.00 Cr)
Fresh Issue	10,416,667 shares (aggregating up to ₹250.00 Cr)
Offer For Sale	10,416,667 shares (aggregating up to ₹250.00 Cr)
Issue Type	Book Built Issue IPO
Listing At	BSE, NSE
Share holding pre issue	54,092,756
Share holding post issue	64,509,423

## Kross IPO Timetable (Important Dates)

IPO Open Date	Monday, September 9, 2024
IPO Close Date	Wednesday, September 11, 2024
Basis of Allotment	Thursday, September 12, 2024
Initiation of Refunds	Friday, September 13, 2024
Credit of Shares to Demat	Friday, September 13, 2024
Listing Date	Monday, September 16, 2024
Cut-off time for UPI mandate confirmation	5 PM on September 11, 2024

## Kross IPO Lot Size

Bidders have the opportunity to bid for a minimum of 62 shares, with the option to increase in multiples. The table below outlines the minimum and maximum investment thresholds for both retail investors and High Net Worth Individuals (HNIs), specifying the corresponding number of shares and amounts involved.

Application	Lots	Shares	Amount
Retail (Min)	1	62	₹14,880
Retail (Max)	13	806	₹1,93,440
S-HNI (Min)	14	868	₹2,08,320
S-HNI (Max)	67	4,154	₹9,96,960
B-HNI (Min)	68	4,216	₹10,11,840

## Kross IPO Reservation

QIB Shares Offered	Not more than 50% of the Net offer
Retail Shares Offered	Not less than 35% of the Offer
NII (HNI) Shares Offered	Not less than 15% of the Offer

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## Kross Limited IPO Financial Information

Kross Limited witnessed a substantial 27% growth in its total revenue while observing a significant 45% increase in profit after tax (PAT) during the period spanning from the financial year concluding on March 31, 2024, to March 31, 2023.

Period Ended	31 Mar 2022	31 Mar 2023	31 Mar 2024
Assets	197.82	250.57	352
Revenue	297.88	489.36	621.46
Profit After Tax	12.17	30.93	44.88
Net Worth	72.4	102.11	146.81
Reserves & Surplus	58.88	88.58	119.76
Total Borrowing	86.06	88.26	117.9

Amount in ₹ Crore

## Key Performance Indicator - Kross IPO

KPI	Values
Market Cap	₹ 1548.23 Cr.
EPS	₹8.3
P/E (x)	28.93
ROE	30.57%
ROCE	28.15%
RoNW	30.57%
P/BV	8.84

as of Mar 31, 2024

## Objects of the Issue:

The company intends to use the net proceeds for the following purposes:

1. General corporate purposes.
2. Funding capital expenditure for the purchase of machinery and equipment.
3. Repaying or prepaying, either fully or partially, certain outstanding borrowings from banks and financial institutions.
4. Meeting the company's working capital requirements.

## Prospectus Links:

**Prospectus:** Official documents that provide detailed information about the IPO and the company.

[Kross Limited IPO DRHP.](#)

[Kross Limited IPO RHP.](#)