



IPO INSIGHTS



Kross Limited

Issue Dates - Opens: 09-09-2024 | Closes: 11-09-2024

IPO Note	<ol style="list-style-type: none"> 1. Kross limited manufactures and supplies trailer axles and suspensions and a wide range of high-performance forged and precision machined safety critical parts for medium and heavy-duty commercial vehicles (M&HCV) and agricultural equipment. 2. They are widely recognized as one of the prominent manufacturers of trailer axles and suspension assembly in India.
Rating	★★★(Good)

IPO SNAPSHOT

Issue Size	₹500 Crores
Issue Type	Book Built Issue IPO
Fresh Issue	₹250 Crores
Offer for Sale	₹250 Crores
Face Value Per Share	₹5
Price Band Per Share	₹ 228 to ₹ 240
Minimum Lot Size	62 Shares
Listing On	BSE, NSE
Registrar to the Issue	Kfin Technologies Limited

IPO SNAPSHOT – Kross Limited

About the Company

- Incorporated in 1991.
- Kross Limited is a diversified player focused on manufacturing and supply of trailer axle and suspension assembly and a wide range of forged and precision machined high performance safety critical parts for medium and heavy commercial vehicles (“M&HCV”) and farm equipment segment.
- They have become one of the fastest growing player in the organised trailer axle manufacturing industry competing with major trailer axle manufacturers.
- They are one of the few players domestically, with the competency to manufacture trailer axles and suspension assembly in-house.
- The company's product portfolio includes axle shafts, companion flanges, anti-roll bars and stabilizer bar assembly, suspension linkages, differential spiders, bevel gears, planet carriers, inter-axle kits, rear-end spindles, pole wheels, and a variety of tractor components for the hydraulic lift arrangement, power take-off (PTO) shafts and front axle spindles.
- They supply their products to a diversified client base which includes large original equipment manufacturers (“OEMs”) manufacturing M&HCV and tractors, tier one suppliers to the OEMs in the M&HCV segment domestic dealers and fabricators for their trailer axle and suspension business.

Competitive Strengths

- Long standing relationship with large OEMs and their tier one suppliers, domestic dealers and fabricators for our trailer axle and suspension business complemented by a diversified network of dealers for our trailer axle and suspension assembly business.
- Diversified product portfolio with a focus on continuous value addition.
- Integrated manufacturing operations coupled with in-house product and process design capabilities which offer scale, flexibility and comprehensive solutions.
- Experienced Promoters supported by a management and execution team with proven track record.
- Track record of sustained growth and robust financial performance in the last three financial years.

Financials (₹ in Crores)

Particulars	31-3-2022	31-3-2023	31-03-2024	Y-o-Y
Revenue	297.45	488.62	620.25	27%
EBITDA	29.54	57.52	80.75	40%
EBITDA Margin	9.9%	11.8%	13.0%	
PAT	12.16	30.93	44.88	45%
PAT Margin	4.09%	6.33%	7.24%	

Valuation

- Attributing Annualized FY23 Earnings asking P/E = 28.93

Peers

Company Name	P/E ratio
Ramkrishna Forgings Limited	48.20
Jamna Auto Industries Limited	24.43
Automotive Axles Limited	17.05
GNA Axles Limited	18.60
Talbros Automotive Components Limited	19.07

Note- P/E ratio is calculated as on 3rd September,2024

Promoters

- Sudhir Rai
- Anita Rai
- Sumeet Rai
- Kunal Rai

Objects of the issue

- Funding of capital expenditure requirements of the Company towards the purchase of machinery and equipment;
- Repayment or prepayment, in full or in part, of all or a portion of certain outstanding borrowings availed by the Company, from banks and financial institutions;
- Funding working capital requirements of the Company; and
- General corporate purposes

DISCLAIMER

The information provided by or in this newsletter is generally from the press reports, electronic media, research websites and other media. It also includes information from interviews conducted, analysis, views expressed by our research team. Investors should not rely solely on the information contained in this publication and must make their own investment decision based on their specific objectives and financial positions and using such independent advisor as they believe necessary. The material and the information provided herein are not and should not be construed as an advice to buy or sell any of the securities named in this newsletter. SIHL may or may not hold positions in any of the securities named in this newsletter as a part of its business. Past performance is not necessarily an indication of future performance. SIHL does not assure for accuracy and correctness of information of reports in this newsletter.

