

THIS IS A PUBLIC ANNOUNCEMENT FOR INFORMATION PURPOSES ONLY AND IS NOT A PROSPECTUS. AN ANNOUNCEMENT DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE TO SECURITIES, NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION DIRECTLY OR INDIRECTLY OUTSIDE INDIA. THE EQUITY SHARES OF OUR COMPANY ARE PROPOSED TO BE LISTED ON THE MAIN BOARD PLATFORM OF ISE, LIMITED ("ISE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") AND TOGETHER WITH ISE, THE "STOCK EXCHANGES") IN COMPLIANCE WITH CHAPTER 1 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2016, AS AMENDED ("SEBI ICDR REGULATIONS").



KROSS LIMITED

Our Company was incorporated as "Kross Manufacturing (India) Private Limited", an private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 9, 1961, issued by the Registrar of Companies, Bihar at Patna. Thereafter, the Registered Office of our Company was changed from 714, Adhena Centre Adityapur, Jamshedpur - 831013 to M-4, Phase VI, Sambalpur Adityapur Industrial Area, Jamshedpur - 831013, Jharkhand, India. Subsequently, the name of our Company was changed from "Kross Manufacturing (India) Private Limited" to "Kross Private Limited" pursuant to fresh certificate of incorporation issued by the Registrar of Companies, Jharkhand at Ranchi dated September 03, 2019. Further, the name of our Company was changed with consent from a private limited company "Kross Private Limited", to a public limited company "Kross Limited" pursuant to a special resolution passed by our shareholders on January 13, 2017 and a fresh certificate of incorporation issued by the Registrar of Companies, Jharkhand at Ranchi dated January 17, 2017. For further details of change of name and Registrar's Office of our Company, please refer to the section titled "History and Certain Corporate Matters - Shareholders of our Company" and "History and Certain Corporate Matters - Change in the Registered Office of our Company" both on page 228 of the RHP.

Corporate Identity Number: U20130IP2019PL200456, Registrar's Office and Corporate Office: Phase VI, Gantaha, Adityapur Industrial Area, Jamshedpur - 831016, Jharkhand, India. Contact Person: Debnita Karmakar, Company Secretary and Compliance Officer. Tel: +91 9657202881, Email: investors@krossltd.com, Website: www.krossltd.com



Please scan this QR code to view the Red Herring Prospectus

OUR PROMOTERS: SUDHIR RAI, ANITA RAI, SUMEET RAI AND KUNAL RAI

INITIAL PUBLIC OFFER OF UP TO [*] EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [*] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [*] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ 5,000.00 MILLION ("OFFER") COMPRISING A FRESH ISSUE OF UP TO [*] EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH BY OUR COMPANY AGGREGATING UP TO ₹ 2,500.00 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [*] EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH (THE "OFFERED SHARES") AGGREGATING UP TO ₹ 2,500.00 MILLION (THE "OFFER FOR SALE"), COMPRISING UP TO [*] EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH AGGREGATING UP TO ₹ 1,680.00 MILLION BY SUDHIR RAI, UP TO [*] EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH AGGREGATING UP TO ₹ 820.00 MILLION BY ANITA RAI (THE "PROMOTER SELLING SHAREHOLDERS"), THE OFFER SHALL CONSTITUTE [*]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

DETAILS OF THE OFFER FOR SALE BY THE PROMOTER SELLING SHAREHOLDERS

NAME OF SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED / AMOUNT (IN ₹ MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION OF EQUITY SHARES (IN ₹ PER EQUITY SHARE)*
Sudhir Rai	Promoter Selling Shareholder	Up to [*] equity shares of face value ₹ 5 each aggregating up to ₹ 1,680.00 million	1.91
Anita Rai	Promoter Selling Shareholder	Up to [*] equity shares of face value ₹ 5 each aggregating up to ₹ 820.00 million	1.69

*As certified by M/S S.K. Naredi & Co., Chartered Accountants by way of their certificate dated September 2, 2024.

We are a player focused on manufacturing and supply of trailer axle and suspension assembly and critical parts for medium and heavy commercial vehicles and farm equipment segments.

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

PRICE BAND: ₹ 228 TO ₹ 240 PER EQUITY SHARE OF FACE VALUE OF ₹ 5 EACH.

THE FLOOR PRICE AND THE CAP PRICE ARE 45.60 TIMES AND 48.00 TIMES THE FACE VALUE OF THE EQUITY SHARES, RESPECTIVELY.

THE PRICE TO EARNINGS RATIO ("P/E") BASED ON BASIC AND DILUTED EPS FOR FINANCIAL YEAR ENDED 2024 FOR THE COMPANY

AT THE UPPER END OF THE PRICE BAND IS AS HIGH AS 28.92 TIMES AND AT THE LOWER END OF THE PRICE BAND IS 27.47 TIMES AS COMPARED

TO THE AVERAGE INDUSTRY PEER GROUP P/E RATIO OF 24.85.

BIDS CAN BE MADE FOR A MINIMUM OF 62 EQUITY SHARES AND IN MULTIPLES OF 62 EQUITY SHARES THEREAFTER.

ASBA[#]

Simple, Safe, Smart way of Application!!!

*Applications Supported by Blocked Amount ("ASBA") is a better way of applying to Issues by simply blocking the fund in the bank account. For further details, check section on ASBA. Mandatory in public issues. No cheque will be accepted.

In accordance with the recommendation of the committee of Independent Directors of our Company, pursuant to their resolution dated September 03, 2024 the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for Offer Price' section beginning on page 128 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 128 of the RHP.

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.

In relation to Price Band, potential investors should only refer to this price band advertisement for the Offer and should not rely on any media articles/reports in relation to the valuation of our Company as these are not endorsed, published or confirmed either by our Company or by the BRLM.

RISKS TO INVESTORS

(For details refer to section titled "Risk Factors" on page 27 of the RHP.)

1. Customer concentration risk – Our top five customers contributed more than 66.00% in each of the previous three Fiscals of our revenues. The loss of a major customer or reduction in demand for our products from any of our major customers may adversely affect our business, financial condition, results of operations and prospects.

Fiscal 2024		Fiscal 2023		Fiscal 2022	
Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations
4,095.19	66.02%	3,340.95	68.37%	2,096.27	70.47%

2. End-user industry risk – Demand for our products is linked to growth and trends in sales of vehicles by our customers. Decline in sales of our customers may adversely affect the demand for our products which in turn would adversely impact our business, financial condition, results of operations and prospects.

(in ₹ million, except percentages)

Projects	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operations
Medium and heavy commercial vehicles	5,512.06	88.87%	4,043.46	82.75%	2,230.92	75.00%
Farm Equipment	559.60	9.02%	592.73	12.13%	546.52	18.37%
Other Component/Service	130.85	2.11%	250.10	5.12%	197.11	6.63%
Total	6,202.50	100.00%	4,886.28	100.00%	2,974.55	100.00%

3. Product concentration risk – We derive a portion of our revenue from the sale of trailer axle and suspension assemblies and truck components. Any reduction in demand for our key products on account of regulatory changes or changes in technologies including but not limited to shift in renewable/green energy would have a material adverse effect on our business, financial condition, results of operations and cash flows.

Projects	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operations
Trailer axle and suspensions	2,690.50	43.38%	1,628.22	33.32%	668.96	22.49%
Truck components	2,821.56	45.49%	2,415.24	49.43%	1,561.96	52.51%
Total	5,512.06	88.87%	4,043.46	82.75%	2,230.92	75.00%

4. Lack of long-term contracts – We do not have firm commitment agreements with our customers. If our customers choose not to source their requirements from us, there may be a material adverse effect on our business, financial condition, cash flows and results of operations.

5. Inventory management risk – If we fail to accurately predict the demand for our products or if customers vary or cancel production orders, we may incur costs associated with excess inventory, including towards raw material charges, elongated working capital cycle and storage costs, any or all of which can adversely impact our financial results, profitability and future prospects.

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Inventory (₹ in million)	835.18	621.96	413.72
Inventory days	49	46	51
Inventory turnover ratio	7.43	7.86	7.19

Notes: Inventory turnover ratio = turnover / inventory

6. Objects of the Fresh Issue for which the funds are being raised have not been appraised by any bank or financial institution and any variation in the utilization of our Net Proceeds as disclosed in the Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders' approval.

7. Our Company will not receive any proceeds from the Offer. The Promoter Selling Shareholders shall be entitled to proceeds from the Offer for Proceeds.

8. Raw material sourcing risk – We depend on a limited number of third parties for the supply of raw materials and failure by our suppliers to meet their obligations may cause change in availability and cost of raw materials which may adversely affect our business, financial condition, results of operations and prospects.