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ESSENTIAL READING FOR THE AUTOMOTIVE INDUSTRY

Bharat Forge in acquisition mode

BHARAT FORGE (BFL), the flagship company of the over \$1 billion Kalyani Group, recently announced the acquisition of CDP Aluminiumtechnik GmbH & Co KG (CDPAT).

CDPAT belongs to the renowned CDP group and is a significant player in Europe in the area of aluminium forged components used in passenger cars and other automotive applications.

Bharat Forge has acquired 100 percent ownership interest in CDPAT in an all-cash deal. The acquisition marks the entry of the company into the hi-end and fast growing aluminium auto-component business. CDPAT customers include major automobile manufacturers such as BMW, Audi, Volkswagen, Ford, etc.

This is the company's second acquisition in Germany after CDP Bharat Forge GmbH, where the sales and profitability saw significant improvement after being taken over by BFL. The acquisition strengthens the company's position in the chassis component business.

The transaction was concluded



Bharat Forge's outstanding export efforts get a pat in the back for Baba Kalyani.

at the enterprise value of 6.30 million euros. This is funded by way of equity of 3.80 million euros and non-recourse debt of 2.50 million euros. Out of the total equity, 2 million euros will be contributed by BFL in phased manner over six months, and the balance will be contributed out of the internal cash accruals of CDP Bharat Forge GmbH and CDPAT.

Chairman and managing director, Bharat Forge, BN Kalyani said, "The acquisition is an important

part of BFL's long term business strategy. It marks the entry of the company into the aluminium auto-component business."

"The acquisition will significantly strengthen the company's position in the global passenger car and chassis component business and is a step towards attaining global leadership. CDPAT will enhance BFL's product range and technical capabilities, in both steel and aluminium," he added.