



MM FORGINGS LIMITED

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PRESS RELEASE

16Oct2021

MM Forgings Ltd acquired CAFOMA to reach 60,000 machined crankshafts per month

1. On 15th October 2021, MM Forgings Ltd (MMF) has acquired CAFOMA Autoparts Pvt Ltd (CAFOMA) for a sum of ₹ 28 Crores in cash and ₹ 5 Crores of debt. CAFOMA is amongst the large independent suppliers of machined Crankshafts catering to the tractor and industrial segments. CAFOMA has a capacity to produce 15,000 crankshafts per month. CAFOMA is presently machining 5,000 crankshafts per month on job work basis.
2. CAFOMA is a 40 year old company with its plant located at Ranipet having 20,000sq.m of freehold land and 6,500sq.m of constructed factory building. Of this, 10,000sq.m of vacant land is available for further expansion. It is accredited with ISO 9001/TS 16949 certifications.
3. MMF expects to unlock synergies by supplying forged crankshafts to CAFOMA. Thus, MMF-CAFOMA is expected to become a full-fledged supplier of machined crankshafts to various sectors including automotive, commercial vehicles, exports, farm equipment, industrial and marine applications, etc.
4. Along with investments at MMF's own facilities and the acquisition of CAFOMA, MMF's machining capacity of crankshafts will be enhanced to 25,000 crankshafts per month in South India. With these, a significant presence in South India will be established.
5. MMF expects this acquisition to add a potential of ₹ 100 Crores plus of turnover with the development of new parts and markets. Thus the acquisition of CAFOMA will unlock capabilities of both MMF and CAFOMA.
6. CAFOMA marks the latest in a string of acquisitions of crankshaft machining lines that MMF has recently made. This began with the 100% stake in DVS Industries in 2018. In 2019 DVS bought the crankshaft machining lines of Amul Auto Components, Rudrapur. The crankshaft machining lines of BSN Industries were procured during Jan-March 2020. Recently in May-July 2021 MMF acquired the crankshaft machining facilities of Clover, an erstwhile company of the Amtek Group, amongst other assets from Clover.
7. With all these, over the next few months MMF's capacity of machined crankshafts, will be 60,000 crankshafts per month. This will launch MMF into the top league of integrated crankshaft suppliers in India with in-house forging and machining facility.

Vidyashankar Krishnan
Managing Director



CERTIFIED TO ISO / TS 16949 : 2009 STANDARDS