

Bharat Forge Acquires US based Federal Forge

PUNE: Bharat Forge Limited, the flagship company of the \$1.25 billion Kalyani Group, announced the acquisition



Kalyani

of Federal Forge Inc, a steel components designing and manufacturing company through its wholly owned subsidiary, Bharat Forge America Inc.

In February 2004, Federal Forge filed for protection under Chapter 11 of the US Bankruptcy Code. Sale of the company was concluded after successful renegotiation of the existing UAW contract. In an all cash deal, Bharat Forge America Inc has acquired

the Assets of Federal Forge, effective from June 24, 2005. The transaction has been concluded at a value of \$9.1 Million, a company press release said.

Calling the acquisition a critical step towards establishing of its presence in the US markets, B N Kalyani, chairman & managing director, Bharat Forge Limited said, "This acquisition will expand our global footprint and establish a manufacturing presence in one of our largest markets, USA."

Speaking of the company's plans to expand its presence through a dual shore manufacturing base strategy, Kalyani said, "The first step was to establish ourselves in Europe, while the next step was to pursue North America and China, through these strategically located comple-

mentary facilities around the world."

The Federal Forge acquisition, he said, "Will enhance our market presence in the US, give us a strong foothold in the passenger car and light truck market and most importantly a manufacturing base close to some of our largest customers."

Established in 1962, Federal Forge is located in Lansing, Michigan, USA. The company manufactures a variety of forged automotive components such as control arms, links, steering knuckles, connecting rods and more.

The company's annual turnover is about \$60 million with a staff complement of 150 employees. Some of its major customers include ZF Lemforder (for General Motors) and Goodyear.