

Business Line

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- News Update

News Update as at 17.00 hrs (IST)

Corporate

Bharat Forge acquires US co in all cash deal

MUMBAI: Bharat Forge Ltd (BFL) has acquired US-based Federal Forge Inc effective from June 24, 2005 through its wholly owned subsidiary, Bharat Forge America Inc in all cash deal worth \$9.1 million.

Federal Forge is engaged in the design and manufacture of complex forged steel components for automotive industry, the company said in a release here on Saturday.

In February 2004, Federal Forge filed for protection under Chapter 11 of the U.S. Bankruptcy Code. Sale of the company was concluded after successful renegotiation of the existing UAW contract, the release said.

Bharat Forge Chairman and Managing Director, Mr B N Kalyani said that the Federal Forge acquisition is a significant step towards implementing Bharat Forge's strategy of expanding global footprint and establishing a manufacturing presence in one of compa ny's largest markets - USA.

"Our strategy is to expand our 'dual shore', manufacturing base through strategically located complementary facilities, around the world. The first step was to establish us in Europe, while the next step was to pursue North America & China," he said.

Mr Kalyani said that the Federal Forge acquisition would enhance the company's market presence in the US and provides a strong foothold in the passenger car and light truck market as the manufacturing base close to some of its largest customers. - PTI

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