

## Abhishek Auto enters into a JV with Global Auto Component Major - The US \$ 1 billion KSS

*The JV Company to become the first manufacturer of Complete Safety System Solutions in India under one roof*

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Abhishek Auto Industries Limited, the country's first and leading Seat Belts manufacturer with approx. 40% market share and revenues in excess of Rs. 100 crore, today announced a joint venture with KSS (Key Safety Systems), a leader and innovator in global automotive safety systems and components. KSS is a US \$ 1 billion MNC specialising in seat belts, steering wheels and air bags, headquartered in Detroit, USA.

Under the terms of agreement of the JV, KSS is acquiring a 50% stake in Abhishek Auto Industries Limited and post the JV Abhishek Auto Industries Limited will be renamed as KSS-Abhishek Safety Systems Pvt. Ltd. The balance equity will continue with the existing shareholders of Abhishek Auto Industries Limited.

The joint venture plan also includes an investment of approximately US \$20 million over the next few years, expanding upon the existing world class design, development, testing and manufacturing facilities to add new Steering Wheel and Airbag capabilities. By 2008 end, KSS Abhishek Safety Systems Pvt. Ltd. will start the manufacture of Steering Wheels and by 2009 end, the company will start manufacturing Air Bags making KSS Abhishek Safety Systems Pvt. Ltd. the first Indian company manufacturing all three safety components - Safety Seat Belts, Steering Wheels and Airbags - as one entity under one roof.

KSS Abhishek Safety Systems Pvt. Ltd. will continue manufacturing ELR Seat Belts and also start the manufacture of Pre Tensioning (PT) Seat Belts, targeting to become the first company in the country to design, develop, test and manufacture PT Seat Belts locally. These seat belts are the latest in technology and provide more safety in the eventuality of an accident.

'Tying up with KSS not only gives us access to latest technological innovations globally but also to KSS's global client base. We also get exposed to global best practices and a chance to move up the value chain' says Mr. Dhiraj Dhar Gupta, Director, Abhishek Auto Industries Limited.

'It is believed that the Government is going to make airbags mandatory in all vehicles in the short term, as was done with safety seat belts. Once this happens the market for Airbags will explode. Also with the consumer awareness about safety products in cars increasing and with the fierce competition amongst OEM's, we feel more and more models of cars are going to be rolled out with Airbags as standard equipment in the next three years' adds Mr. Gupta.

'This investment represents our continuing commitment to expand our Global reach and serve our customers worldwide. We are very honoured to partner with Abhishek, and believe that KSS-Abhishek is strategically positioned to excel in the rapidly expanding Indian Safety Market', said Mr. Jason Luo, President and CEO of KSS.

Representing KSS' first major investment in India, it is expected that the India facility will be tightly

connected with the KSS' Global technology centres in Detroit, Frankfurt and Shanghai working together in concert to execute global programmes.

The expected revenues from the new entity in the first full year of operation i.e. 2008-09 would be around Rs.150 crore. The targeted revenue in the third year 2010-2011 is around Rs 250 crores and by the fifth full year, KSS Abhishek Safety Systems Limited should be touching the Rs.400 crore mark.

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### **About Abhishek Auto Industries Limited**

Abhishek Auto is a Rs.100 Crore plus company with more than 110 employees in two plants at Gurgaon and Manesar. Abhishek Auto focuses on Seat Belts and Power Windows and it is the country's first and leading Seat Belts manufacturer with approx. 40% market share.

The major clients of Abhishek Auto include the who's who in the OEM sector like Maruti Suzuki, Honda, Tata Motors, Hindustan Motors, Mitsubishi, Swaraj Mazda, Bajaj Motors and ICML.

### **About KSS (Key Safety Systems)**

KSS is a leading global designer and manufacturer of safety-critical components and system. These include airbags and inflators, seat belts, steering wheels and electronics.

KSS operates its 32 manufacturing, technical and sales facilities in 12 countries. KSS is a true MNC with global divisional and functional structure. It employs around 8,500 people internationally. The annual revenues for KSS for CF 2007 are approximately \$1 billion in sales.

KSS has more than 150 global customers worldwide, with a majority of global OEMs using KSS products. Some of KSS clients include Audi, DaimlerChrysler, Fiat, Ford, General Motors, Hyundai, Suzuki, Toyota and Volkswagen.

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