

DYNAMATIC TECHNOLOGIES LIMITED



opportunities
to innovate



ANNUAL REPORT
2001

C O N T E N T S

Dynamatic Technologies Limited

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JKM Dae Rim Automotive Limited

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JKM Research Farm Limited (formerly JKM Floriculture Limited)

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Opportunities do not come
with their value stamped upon them.
Every one must be challenged.
A day dawns, quite like other days; in it,
a single hour comes, quite like other hours;
but in that day and in that hour
the chance of a lifetime faces us.

Report  Junction.com

Maltbie Babcock

One billion

I



Or

I A



billion

machinery

Hydraulic systems are one of the most efficient ways to transmit power. Dynamic works closely with machinery manufacturers to improve their equipment by converting mechanical drives into hydraulic. This not only improves the equipment, but also reduces power consumption.

products for agriculture

India has achieved self sufficiency in food grain production largely on account of its advances in farm mechanisation. Over the decades, the Nation has built up one of the world's largest Agricultural Tractor Industries.

The most critical applications on an Agricultural Tractor pertain to its Hydraulic System and Engine/ Transmission Power Pack.

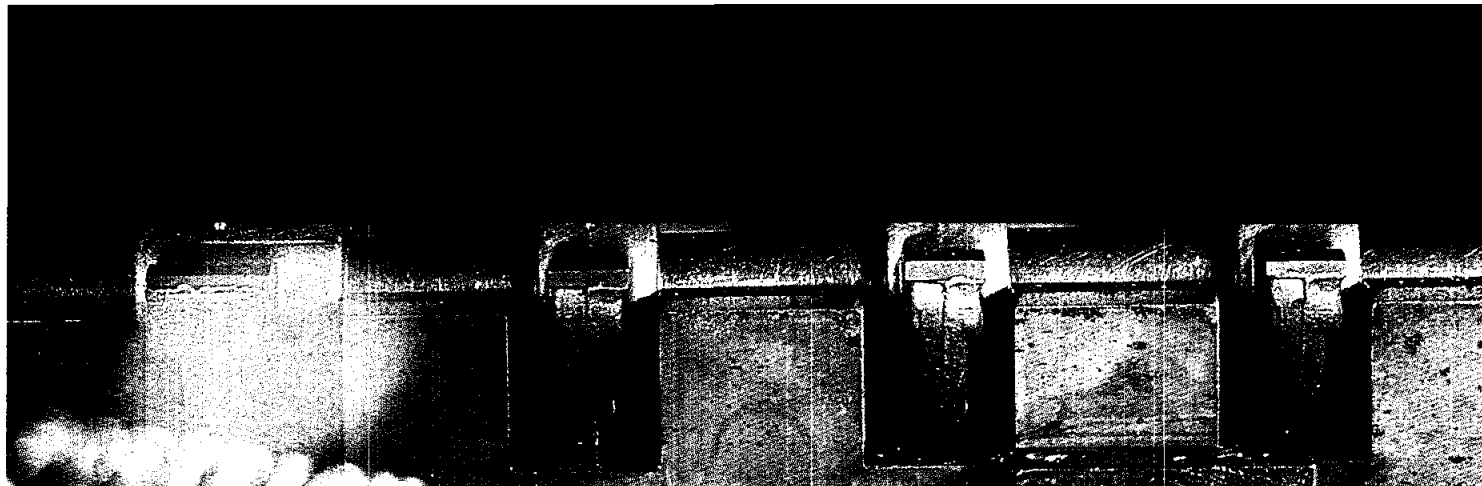
Over 80% of the Agricultural Tractors produced in India are fitted with critical hydraulic products such as Hydraulic Gear Pumps and / or Control Valves produced by Dynamic Technologies.

JKM Dae Rim Automotive Limited, a Dynamic® subsidiary has started development of critical Engine and Transmission products for new generation tractors. Another subsidiary, JKM Research Farm Limited is used for extensive field trials, and new product development for the tractor industry.

machinery

products for agriculture

infrastructure



defence products

Dynamatic Technologies designs and builds sophisticated Aerospace and Defence Systems for the Indian Army, Navy and Air Force. These include Airframe structures, Transmission products and Braking systems for India's Battle Tanks, Ground Support equipment for Military Jets, Marine and Mobile Hydraulic Systems for all three services.

Dynamatic Technologies received a National Award for Excellence in Defence production during 2000.

infrastructure equipment

The Nation's Highways, Dams, Ports and Cities are built using heavy Hydraulic Construction Equipment, such as Bulldozers, Loaders, Graders, Cranes, all of which are large users of critical Hydraulic Components.

Dynamatic® takes up design, development and manufacture of critical hydraulic products to support this industry.

automotive components

JKM Dae Rim Automotive Limited a Dynamatic® subsidiary, produces a wide variety of critical Engine and Transmission products for new generation vehicle manufacturers. These include Hyundai Motor India to whom the company supplies the largest single basket of Engine / Transmission components for their *Accent* and *Santro*, both of which are leaders in their respective segments.

Additionally, JKM Dae Rim has developed significant supplemental business with other automotive OEMs, such as Fiat, New Holland, Telco, Mahindra & Mahindra and Volvo.

Given the current growth rates, this business is poised to become the leading manufacturer of Engine and Transmission products in the South Asia region.



building a nation

Dynamic®

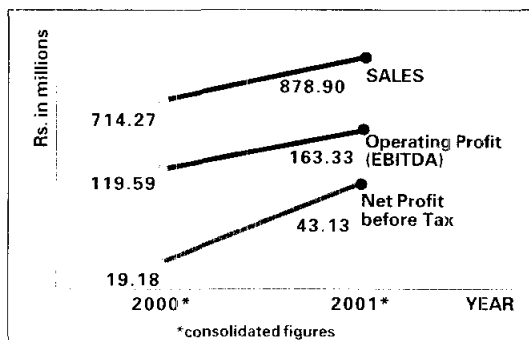
message from the managing director

Dear Fellow Shareholder:

On behalf of the Board of Directors of Dynamic Technologies Limited and its subsidiaries, I take pleasure in presenting you with audited financial statements for the year 2000-2001.

All across India, one feels a sense of despondency. The economic slowdown is real with over-capacity plaguing almost every sector. Simultaneously, our markets have opened up to global competition resulting in a huge negative gap between supply and demand, in turn leading to depressed pricing. Consumer sentiment is at its lowest level in a decade and investment decisions have been largely put on hold by several corporates.

In this vicious economic environment, your company along with its subsidiaries has recorded a growth rate of 23.05% in sales and 124.95% in net profit before tax.



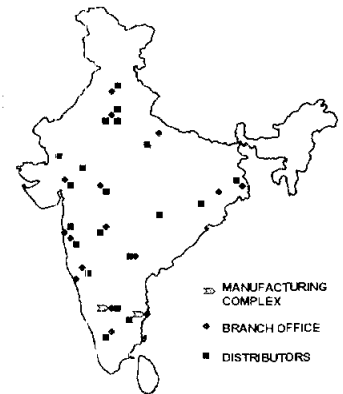
During the decade, your company has grown sales by a stunning 2000%. This is a result of an unrelenting drive to grow through the development of new products, new markets and new applications. We have not grown merely by adding capacity. Your company has grown by

dynamically increasing its capabilities. I have taken this opportunity to provide you with a detailed timeline (see bottom of page) showing new product introduction and resultant growth in sales. It is pertinent to note that all our products have been developed in-house using state-of-the-art design methodology employed at our various research laboratories and facilities.

We have used earlier pages to express our core management belief: **India is a Land of Great Opportunity**. One has only to create competencies and execute well to convert these opportunities into tangible results.

In addition to expanding technological capabilities, we have simultaneously grown our market network to support our customers. With 16 branches across the country, 53 distributors, 300 dealers and over 3000 stockists, your company operates the finest channels of distribution in the Hydraulic Industry in India.

Last year, I talked about launching initiatives to unlock value from these knowledge assets. I am pleased to advise you that we have corporatised our R&D capability through



Product Range

- 1 Hydraulic Gear Pumps - for Tractors, Earthmoving Equipment & Machine Tools
- 2 Hydraulic Power Packs
- 3 Directional Control Valves
- 4 Servo Test Control Equipment for Helicopters
- 5 Automatic Depth & Draft Control Valves for Tractors
- 6 Hydraulic Bagasse Compactors

Product Range

- 1 Hydraulic Gear Pumps - for Tractors

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- 7 Hydraulic Bagasse Compactors
- 8 Aluminium Castings
- 9 Specially Heat Treated Components
- 10 High Precision Airframe Structures

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- 9 Specially Heat Treated Components
- 10 High Precision Airframe Structures

4.51

10.46

13.39

1990

- 1991 - Establishment of R&D Centre - Hydraulic Systems Division established
- Commenced manufacture of CV1 & CV2 Hydraulic Valves

1992

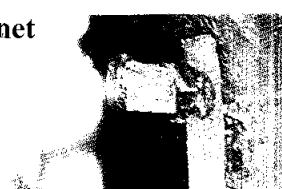
- 1992 - Started manufacture of Hydraulic Gear Pumps for Earthmoving Equipment & Machine Tools
- Started manufacture of Servo-Control Test Equipment for Helicopters

1994

- 1993 - Started manufacture of Automatic Depth & Draft Control Valves for Tractors
- Developed Hydraulic Bagasse Compactors for Sugar Mills

- 1995 - Establishment of Aluminium Foundry at Bangalore
- Establishment of JKML Floriculture Limited

converting opportunities to



our new *Powermetric*™ brand. We have started offering R&D and Engineering Services to customers globally and have received very positive responses. We have also started distributing complementary Hydraulic products manufactured by International industry leaders, such as Atos SpA, Italy. Both these activities are based on competence, knowledge and not on investment. We hope to transform your company into a Global R&D Organisation, with a pre-eminent market position in the Hydraulic, Automotive and Defence Sectors in the South Asia region. I take this opportunity to thank you for your continued support.

21.78

Udayant Malhoutra

Product Range

- 1 Hydraulic Gear Pumps
- for Tractors, Earthmoving
Equipment & Machine Tools
- 2 Hydraulic Gear Motors
- 3 Hydraulic Power Packs
- 4 Directional Control Valves
- 5 Servo Test Control
Equipment for Helicopters
- 6 Hydraulic Bagasse
Compactors
- 7 Automatic Depth & Draft
Control Valves for Tractors
- 8 Aluminium Castings
- 9 Specially Heat Treated
Components
- 10 High Precision Airframe
Structures
- 11 Transmission Products for
Battle Tanks
- 12 Ground Support Equipment
for Military Jets
- Automotive Components:
- 13 Water Pumps
- 14 Oil Pumps
- 15 Intake Manifold
- 16 Exhaust Manifold
- 17 Rocker Arms
- 18 Rocker Covers
- 19 Shift Forks
- 20 Rear Case Oil Seal

27.96

38.75

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- 1 Hydraulic Gear Pumps
- for Tractors, Earthmoving
Equipment & Machine Tools
- 2 Hydraulic Gear Motors
- 3 Hydraulic Power Packs
- 4 Directional Control Valves
- 5 Servo Test Control Equipment
for Helicopters
- 6 Hydraulic Bagasse
Compactors
- 7 Automatic Depth & Draft
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- 8 Aluminium Castings
- 9 Specially Heat Treated
Components
- 10 High Precision Airframe
Structures
- 11 Brake Actuating Systems
for Battle Tanks
- 12 Transmission Products
for Battle Tanks
- 13 Load Sensing Hydraulic Valves
- 14 Ground Support Equipment
for Military Jets
- 15 Complete Tractor
Hydraulic Systems
- Automotive Components:
- 16 Water Pumps
- 17 Oil Pumps
- 18 Intake Manifold
- 19 Exhaust Manifold
- 20 Rocker Arms
- 21 Rocker Covers
- 22 Shift Forks
- 23 Rear Case Oil Seal

49.20

1996

- 1996 - Developed High Precision Airframe Structures for Lakshya, Pilotless Target Aircraft, a first in the Indian Private Sector
- 1997 - Started delivery of Transmission Products for Battle Tanks to Ministry of Defence
- JKM Floriculture converted into JKM Research Farm

1998

- 1998 - Establishment of JKM Daerim Automotive Limited plant at Chennai
- Establishment of Dynametal II at Chennai
- Started delivering sophisticated Ground Support Equipment for Military Jets to the Indian Air Force & Indian Navy

2000-01

- 2001 - Commenced delivery of complete Tractor Hydraulic Systems for M&M
- Developed Hydraulic Brake Actuating System for Arjun Main Battle Tank

- 1999 - Started deliveries of complete Tractor Hydraulic Systems to Same, Greaves
- Redesign of M&M Tractor Hydraulic System front end loading attachment for Agriculture Tractors at JKM Research Farm
- Started manufacturing sophisticated Load Sensing Hydraulic Valves

Dynamatic®

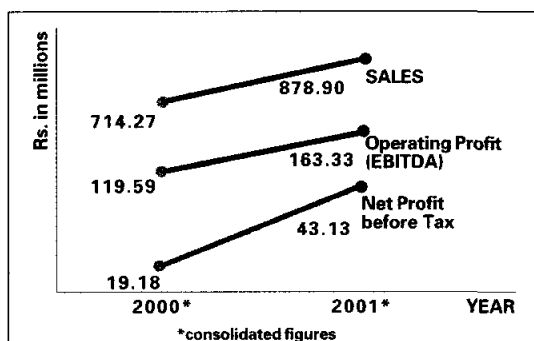
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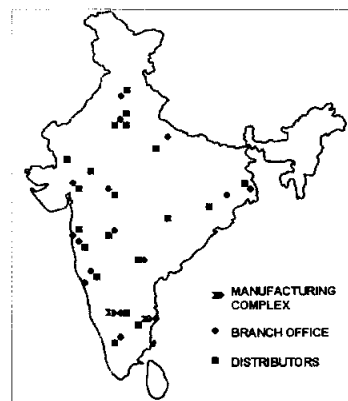
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