

ANNUAL REPORT  
**2007-08**  
DYNAMATIC TECHNOLOGIES LIMITED

Report  Junction.com



Dexterous Businessman

Man with Vision. A Man Of Great Potential

ANNADATA

UN

RAMANNA

Had tremendous memory and thought

Charismatic Man

Pragmatic

Unassuming

Eternal Entrepreneur

BENEVOLENT

Dedicated leader

Distinguished

Quick Witted (RAY CHAU)

True Businessman

Aggressive

Great Personality

Steadfast

Versatile

(P.S. RAMESH)

Excellent Leader

'Futuristic'

brave and down-to-earth person Agnes

'Strong... Incisive'

'INSPIRATIONAL'

I salute the Great JKM

A True Visionary

Barot

You gentle giant with your mighty heart

Your friend and lifelong companion

MY BEST FRIEND  
A GREAT MENTOR  
& A DOTTING FATHER  
...HE TAUGHT ME TO BE FEARLESS

Manmohan

He touched all our lives in a powerful way



**"Your work is to discover your world and then with all your heart give yourself to it."**

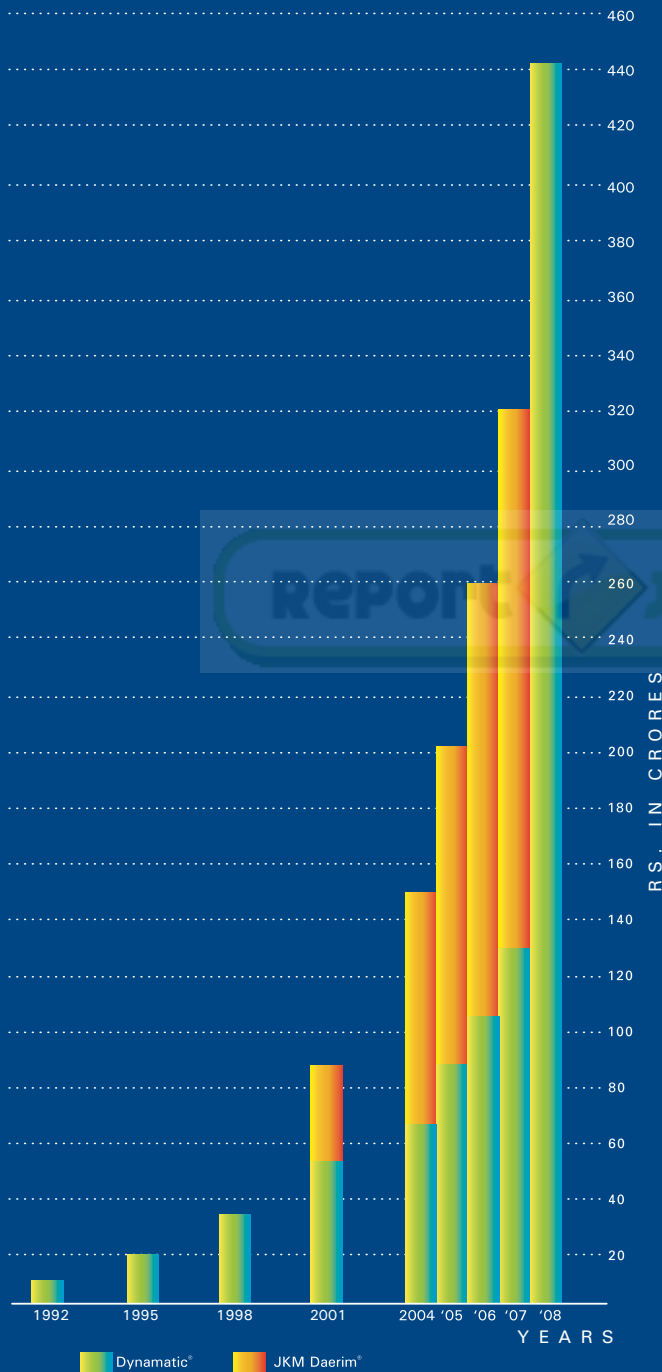
- The Buddha

### Dear Fellow Shareholder,

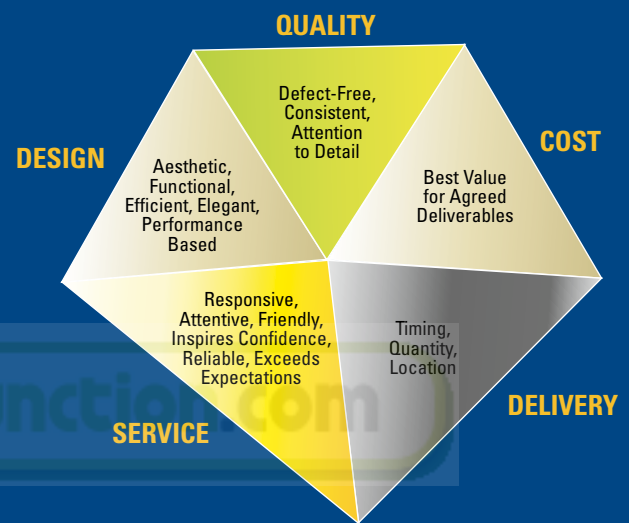
On behalf of the Board of Directors of Dynamatic Technologies Limited and its Subsidiaries, I take pleasure in presenting you with the audited financial statements for the year 2007-2008.

During the year under review, your Company along with its Subsidiaries has recorded a growth rate of 38.41% in aggregated sales. Gross Sales of Rs. 4,417.23 Million\* (aggregated with Subsidiaries) was the highest ever recorded.

The graph on the left shows your Company's growth over the past 15 years. This growth has been the result of an undiluted focus on developing skillsets required in an increasingly volatile economic environment.



In earlier years, JKM Daerim® has been identified separately on the bar chart above. During 2007-08, the merged entity is shown as a single bar. The Aggregated Sales for 2007-08 also includes the turnover of Rs. 81.77 crores, recorded by your Company's wholly owned Subsidiary, Dynamatic Limited, UK, over a period of 10 months.  
\*Rs. 10 million = Rs. 1 crore.



### DYNAMATIC® HYDRAULICS

With severe food price inflation across the world, the tractor industry has witnessed buoyant conditions which have been very positive for your Company's Hydraulic division. In addition, the rapid growth of India's infrastructure sector has provided exciting new opportunities for sale of Hydraulic products.

During the year under review, your Company acquired the manufacturing facilities of Sauer Danfoss Limited, UK, at Swindon through its



subsidiary Dynamatic Limited, UK. This acquisition has provided your Company with three major advantages:

- i. A global delivery chain.
- ii. A vastly broadened product offering.
- iii. A world-class design laboratory and technical skills.

*Dynamatic® Hydraulics* is one of the world's largest Hydraulic Gear Pump makers, and will now focus on being number one.

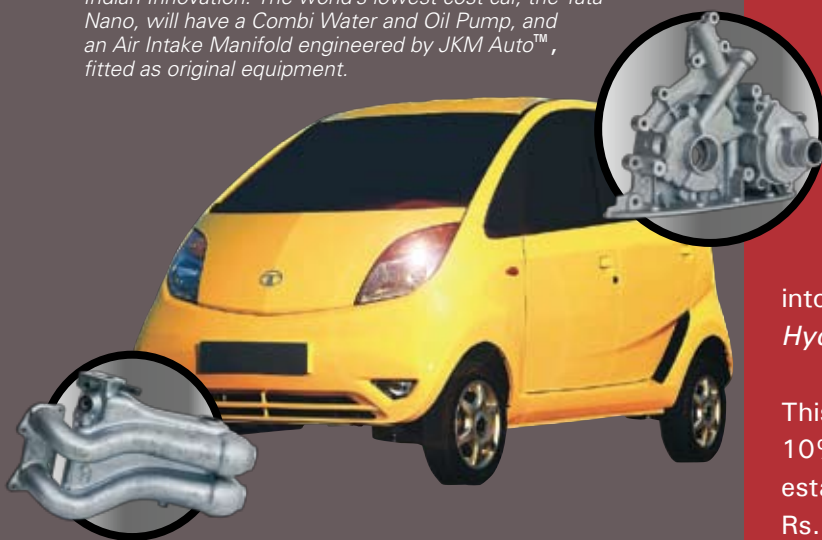
### **JKM AUTOMOTIVE™**

Your Company's 73% owned Subsidiary, JKM Daerim Automotive Limited, was merged into Dynamatic Technologies Limited during the year. *JKM Automotive™* is now the largest division of Dynamatic Technologies, having benefited from the growth of India's automotive industry during the past decade.



India is fast developing into the world's small-car manufacturing hub, and, as your Company globalises its Automotive division, it enjoys unique advantages with people across the world shifting to smaller cars in an era of high oil prices.

*Indian Innovation: The world's lowest-cost car, the Tata Nano, will have a Combi Water and Oil Pump, and an Air Intake Manifold engineered by JKM Auto™, fitted as original equipment.*



*JKM Automotive™* has also made a successful foray into the manufacture of precision-engineered turbo-charger components for the world's leading



*JKM Automotive's new plant was inaugurated at Irrungattukottai on September 17, 2007.*

manufacturer, Honeywell Turbo Technologies. This business has great potential given rising global standards for emission control.

Additionally, *JKM Automotive™* has developed a number of products for Cummins heavy engines, which is a completely new product segment with different cyclical trends from the passenger car industry.

**The pessimist sees difficulty in every opportunity. The optimist sees the opportunity in every difficulty.**

- Winston Churchill

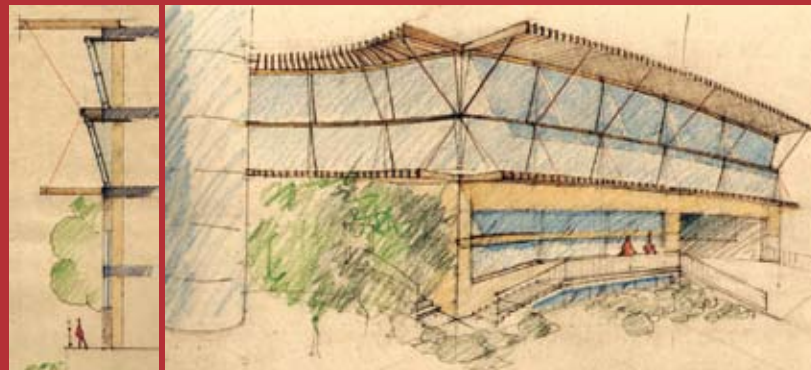
### **DYNAMETAL®**

*Dynametal®* exists as a strategic foundation for your Company's Hydraulic and Automotive businesses. At the Foundry located in Chennai, commercial grades of aluminium are melted, alloyed and then moulded into complex castings required by *Dynamatic® Hydraulics* and *JKM Automotive™*.

This division which accounts for approximately 10% of Dynamatic Technologies' annual sales was established in 1995 with a modest investment of Rs. 1.2 million. *(Shareholder note: The annualised sales of this division is responsible for the difference between the aggregated sales and consolidated sales of the Company, as it is accounted for as intra-company sales.)*



With robust growth in both Hydraulic and Automotive businesses, **Dynametal®** is projected to be a significant contributor in the future. Keeping this in mind, a sophisticated Material Sciences Laboratory has been established within the JKM Science Center to focus on technological innovation. Additionally, your Company's leadership team is planning to establish a second foundry in Thailand in the near future.



Artist's rendition of the new Aerospace facility to manufacture Airbus A-320 Flap-Track Beams

## DYNAMATIC AEROSPACE®

Over the last few years, your Company has worked closely with Hindustan Aeronautics Ltd., India's National Aerospace company, and the Defence Research and Development Organisation, to develop and manufacture exacting aerospace products.

This activity was incubated using the resources of **Dynamatic® Hydraulics**, and its income and expenditure is being reported under the 'Hydraulics & Precision Engineering' segment. Going forward, this business will be a large contributor to your Company's growth and profitability.



The Airbus 320 Flap-Track Beam that will be assembled by Dynamatic Aerospace®, Bangalore

**Dynamatic Aerospace®** is working closely with EADS and Spirit AeroSystems to assemble Flap-Track Beams at Bangalore for the Airbus A-320 family of aircrafts. This is the first time ever that a functional aero-structure of a major commercial jet is being manufactured in India.

A state-of-the-art facility is being built at Dynamatic Park Peenya, Bangalore, and will be completed during November 2008. First Article Inspection of the Flap-Track Beams is expected to be completed by Airbus during January 2009. In the meanwhile, **Dynamatic**

**Aerospace®** has received NADCAP approval for its Non-Destructive-Test facilities, another first in India.

**Dynamatic Aerospace®** has signed agreements and MoUs with Boeing, Northrop Grumman Corporation, Lockheed Martin and Cobham PLC to explore opportunities in the Indian Defence sector. This business is complex, and therefore very specialised. Given India's large Defence expenditure, there are very significant growth opportunities for your Company to address.

Your Company is engaged in advanced negotiations to acquire a reputable Aeronautics facility in Western Europe. This acquisition will give both scale and reach to **Dynamatic Aerospace®**.



The Outstanding Vendor Award received during the year 2008.

## POWERMETRIC® DESIGN

Design is the very soul of your Company. It has enabled us to continuously explore new business horizons through the introduction of new product offerings.

The **Powermetric® Design** Center pools together the diverse experiences of aeronautical, automotive, hydraulic engineers and scientists, working across the various **Dynamatic®** divisions, and is capable of delivering advanced thermal, dynamic and structural engineering services. It is a Government of India (Department of Scientific and Industrial Research) recognized in-house R & D Unit. Over the years, **Dynamatic®** products have delighted customers with

their design features. During the year under review, **Powermetric®** established a Virtual Design Lab for National Super Suction (NSS), USA, the world leader in industrial-cleaning technologies with applications in office, domestic, airports, commercial places,

shopping malls, factories and hospitals.

In this laboratory, products are remotely designed, developed and prototyped for the customer. NSS has expressed deep satisfaction at



The Virtual Design Lab established for NSS, USA by Powermetric® Design

the quality of work and has expanded both the scope and scale of activity. **Powermetric®** considers the NSS experience to be a pilot experiment in creating a larger virtual design business with other customers in future.

## CURRENT OUTLOOK

The world is ridden with risk. Terrorism, war and environmental challenges have been joined with economic volatility in 2008.

Unprecedented monetary expansion over the last few years has resulted in acute price inflation worldwide. The large rise in price of materials and energy has affected both corporate profitability and

consumer demand. At the same time, asset bubbles which were created earlier, are now correcting and creating localised credit contraction.

**In the Kanji characters used in both Chinese and Japanese, "crisis" is written with two symbols, the first meaning "danger," the second "opportunity."**

- Al Gore

India continues to enjoy robust growth, but cannot remain immune to global economic influences.

This is an environment which calls for agility, resilience and discipline. At **Dynamatic®**, we have always taken care to design our industrial infrastructure to be mutable in order to swiftly react to circumstances.



As described earlier, global challenges have always been seen as opportunities, and your Company has responded to take advantage of the same. The leadership team at **Dynamatic®** remains confident in its abilities to continue on its existing high growth curves.

The JKM Science Center harmonises ecological design with cutting-edge research



On behalf of our Board of Directors and Senior Management, I thank you for your continued support.

*Udayant Malhoutra*

**Udayant Malhoutra**  
Chief Executive Officer and Managing Director



C O R P O R A T E S T R U C T U R E

BOARD OF DIRECTORS



**Govind Mirchandani**  
Director, DTL



**Shanti Ekambaram**  
Director, DTL  
Member, Audit Committee



**Dr K Aprameyan**  
Director, DTL  
Member, Audit Committee  
Chairman, Technical Development Committee  
Member, Leadership, HRD & Remuneration Committee



**Vijai Kapur**  
Chairman of the Board, DTL  
Chairman, Audit Committee  
Member, Leadership, HRD & Remuneration Committee



**Air Chief Marshal S Krishnaswamy (Retd.)**  
Director, DTL  
Member, Audit Committee  
Chairman, Shareholders' Committee  
Member & Alternative Chairman, Technical Development Committee  
Chairman, Leadership, HRD & Remuneration Committee



**Malavika Jayaram**  
Director, DTL



**Udayant Malhoutra**  
CEO & Managing Director, DTL  
Member, Technical Development Committee  
Member, Shareholders Committee  
Chairman, JKM Research Farm Ltd  
Chairman, JKM Global Pte Ltd, Singapore  
Chairman, Dynamatic Ltd, UK



**B Seshnath**  
Executive Director & Chief Marketing Officer, DTL



**V Sunder**  
President and Group CFO  
Member, Shareholders Committee  
Director, JKM Research Farm Ltd  
Director, JKM Global Pte Ltd, Singapore  
Director, Dynamatic Ltd, UK



**S K Kapur**  
Vice President  
Corporate Affairs, DTL



**G Srinivasan**  
Vice President  
Operations  
JKM Auto™



**N Rajagopal**  
ED & COO, Dynamatic®  
Hydraulics & Dynametal®  
Member, Technical Development Committee



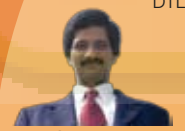
**Raymond K Lawton**  
Director, DTL  
ED & COO, Dynamatic Ltd, UK  
Member, Audit Committee  
Member, Technical Development Committee



**Air Cmde (Retd) Ravish Malhotra**  
Chief Operating Officer & SBU Head  
Dynamatic Aerospace®



**Anil Kumar Katti**  
Sr. General Manager & SBU Head  
Powermetric® Design



**K R Srinivasan**  
Group Financial Controller  
DTL



**Jae Ho Woo**  
Vice President  
Technical  
JKM Auto™



**P K Ray Choudhury**  
Sr. General Manager  
Engineering Head  
DTL Research & Development



**P S Ramesh**  
Operations Controller  
Dynamatic® Hydraulics



**Ian Patterson**  
Technical Director & Chief Technology Officer  
Hydraulics  
Dynamatic Ltd, UK



**Tony Atkins**  
Finance Head and Company Secretary  
Dynamatic Ltd, UK



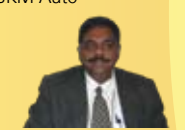
**V K Heblikar**  
Sr. General Manager  
Head - Material Sciences  
DTL



**G Parasurami Reddy**  
Vice President  
Dynamatic Aerospace®



**G Haritha**  
Company Secretary  
DTL



**D Satheesh Kumar**  
Head - Operations  
JKM Auto™



**G Elangovan**  
Vice President  
Castings Commodity  
Dynametal®



**G V Gururaj**  
Sr. General Manager  
Marketing  
Dynamatic® Hydraulics



**Alan Jinks**  
Global Sales Manager  
Dynamatic Ltd, UK



**Trish Bowering**  
Human Resources & IT Manager  
Dynamatic Ltd, UK



**R Shiva Kumar**  
Head - Production  
Engineering  
DTL



**Subodh R**  
General Manager  
Dynamatic Aerospace®



**Rekha S Nair**  
Head Corporate Communications  
DTL



**Altaf Shareef**  
General Manager  
Information Systems  
DTL



**N Murali**  
Sr. General Manager  
Finance  
DTL

SENIOR MANAGEMENT

DYNAMATIC TECHNOLOGIES LIMITED

Chairman

**Mr. Vijai Kapur**

Management Consultant: During an illustrious career, he was heading GKW Limited as Dy. Managing Director, and was also past President – AIEI (now called CII)

Director

**Dr. K. Aprameyan**

Distinguished Technocrat: He is credited with the growth of Bharat Earth Movers Limited where he retired as Chairman and Managing Director. He was also a Member of the National Council, Confederation of Indian Industries (CII) and the Governing Council, Institute of Robotics and Intelligence Systems (IRIS)

Director

**Air Chief Marshal S. Krishnaswamy (Retd.)**

Former Head of the Indian Air Force & Chairman, Chiefs of Staff Committee: He is credited with bringing focus towards indigenous capabilities as an additional strategic dimension of National Security Policy.

Director

**Ms. Shanti Ekambaram**

Senior Banking Professional: She has been at the center of the growth of India's private sector Banking industry in the last 5 years. Prior to that, she has led many path-breaking deals in the investment banking industry. She is currently the Group Head-Wholesale Banking, Kotak Mahindra Bank Ltd. and was formerly the Executive Director and CEO, Kotak Mahindra Capital Company Ltd.

Director

**Mr. Govind Mirchandani**

Management Consultant: He has vast experience in developing and building leading brands in India. He has had a distinguished career which includes the positions of Executive Director & CEO, Reid & Taylor, Director, Brandhouse Retails Ltd., CEO & Director, Arvind Brands Ltd., President, Denim Division, Arvind Mills Ltd., and President & CEO, Personality Ltd.

Director

**Ms. Malavika Jayaram**

Lawyer: An expert on Intellectual Property and International Business Transactions, she is a partner of Jayaram & Jayaram, Advocates. She has spent almost a decade practising law in Europe with Allen & Overy, London and Citigroup, London where she was Vice President & Technology Law Counsel, before returning to India.

Director

**Mr. Raymond Keith Lawton**

Company Executive: Formerly the Executive Chairman, Sauer Danfoss (Swindon Unit), he is credited with the transformation of the Swindon unit into a state-of-the-art facility. He is the Executive Director & Chief Operating Officer, Dynamatic Limited, UK.

Executive Director & Chief Operating Officer

**Mr. N. Rajagopal**

Company Executive: He has over three decades' experience in production, design and engineering operations, having held positions of seniority in Dynamatic®. He was formerly Director Operations, Dynamatic Technologies.

Executive Director & Chief Marketing Officer

**Mr. B. Seshnath**

Company Executive: He has extensive marketing experience in Automotive, Pneumatic and Hydraulic industries, having worked with the TVS Group, Mahindra & Mahindra, Festo and Dynamatic®. He was formerly the Executive Director & Chief Operating Officer, JKM Daerim® Automotive Ltd.

President & Group Chief Financial Officer

**Mr. V. Sunder**

Company Executive: He has rich experience in Corporate Management, Law & Finance, having been the Company Secretary & Head Corporate Planning, Dynamatic®. He is a fellow member of the Institute of Company Secretaries of India and formerly CEO and Executive Director, JKM Daerim® Automotive Ltd.

Chief Executive Officer & Managing Director

**Mr. Udayant Malhoutra**

Industrialist: He is credited with successfully initiating, nurturing and scaling to Industrial size, various technologies associated with all three sciences. In addition to his role at Dynamatic®, he has been a Member, Board of Governors, IIT Kanpur (1997-2001), Chairman, CII National Technology Committee and Member, CII National Council (2001-2002). He is the President of the Fluid Power Society of India (2004-08).

Your Company's Organisational Structure is based on a network of highly talented people who have been empowered to deliver results. A concerted effort has been made to remove hierarchy in everything we do.

JKM Research Farm Limited

Chairman

Mr. Udayant Malhoutra

Director

Mrs. Pramilla Malhoutra

Director

Mr. V. Sunder

Auditors

M/s. Prasad and Kumar  
Chartered Accountants, Bangalore

JKM Global Pte Limited (Singapore)

Chairman

Mr. Udayant Malhoutra

Director

Mr. V. Sunder

Director

Mr. Lim Tiong Beng

Auditors

RSM Chio Lim., Singapore,  
Certified Public Accountants

Dynamatic Limited, UK

Chairman

Mr. Udayant Malhoutra

Director

Mr. Michael John Handley

Director

Mr. V. Sunder

Executive Director & Chief Operating Officer

Mr. Raymond Keith Lawton

Technical Director & Chief Technology Officer, Hydraulics

Mr. Ian Patterson

Auditors

PricewaterhouseCoopers LLP., Bristol

REGISTERED OFFICE

Dynamatic Park, Peenya  
Bangalore 560 058

KEY FACILITIES

Dynamatic Park Peenya  
Bangalore 560 058, India

JKM Park SIPCOT Irrungattukottai Sriperumbudur Tamil Nadu 602105 India

Cheney Manor, Swindon, Wiltshire  
SN2 2PZ, England

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PLEASE LIFT FOLDOUT FOR CORPORATE STRUCTURE

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## AUDITORS' REPORT

### TO THE BOARD OF DIRECTORS OF DYNAMATIC TECHNOLOGIES LIMITED

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1. We have audited the attached Consolidated Balance Sheet of Dynamatic Technologies Limited (the Company) and its Subsidiaries (herein after referred to as the 'Group') as at March 31, 2008, the related Consolidated Profit and Loss Account for the year ended on that date, and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto, which we have signed under reference to this report. These Consolidated Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the Financial Statements of certain Subsidiaries, whose Financial Statements reflect total assets of Rs.987,420,473 as at March 31, 2008, total revenues of Rs.853,275,755 and net cash inflow amounting to Rs.200,707,090 for the year ended on that date. The Financial Statements and other information of these Subsidiaries have been audited by other auditors, whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these Subsidiaries, is based solely on the report of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements, as notified in the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the reports of other auditors on separate Financial Statements and on the other financial information of the components, in our opinion and to the best of our information and according to the explanations given to us, the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2008;
  - ii) in the case of the Consolidated Profit and Loss Account, of the Consolidated results of operations of the Group for the year ended on that date; and
  - iii) in the case of the Consolidated Cash Flow Statement, of the Consolidated cash flows of the Group for the year ended on that date.

  
**S. Dutta**

Partner

Membership No. : F 50081

For and on behalf of

**Price Waterhouse & Co.,**

Chartered Accountants

PLACE : BANGALORE

DATE : 27<sup>th</sup> JUNE, 2008



## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2008

SOURCES OF FUNDS	Schedule	2008 Rs.	2007 Rs.
<b>Shareholders' Funds</b>			
Capital	1	48,107,030	41,935,600
Reserves and Surplus	2	599,629,115	404,886,798
<b>Minority Interest [Schedule 21 Note 4(b)]</b>		700	63,134,291
<b>Loan Funds</b>			
Secured Loans	3	1,575,777,609	765,937,585
Unsecured Loans	4	67,589,136	73,566,799
<b>Deferred Tax Liabilities (Schedule 21 Note 10)</b>		154,067,633	110,150,476
		<u>2,445,171,223</u>	<u>1,459,611,549</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	5	2,337,641,840	1,500,856,167
Less: Depreciation		722,416,343	596,899,000
Net Block		<u>1,615,225,497</u>	<u>903,957,167</u>
Capital Work-In-Progress		173,394,130	252,657,842
Incidental Expenditure During Construction Period	6	-	34,101,682
		<u>1,788,619,627</u>	<u>1,190,716,691</u>
<b>Investments</b>	7	1	15,001
<b>Current Assets, Loans and Advances</b>			
Inventories	8	471,885,145	310,245,944
Sundry Debtors	9	791,682,563	529,341,305
Cash and Bank Balances	10	253,870,753	26,590,985
Other Current Assets	11	41,281,951	22,025,511
Loans and Advances	12	110,918,845	91,853,181
		<u>1,669,639,257</u>	<u>980,056,926</u>
<b>Less: Current Liabilities and Provisions</b>			
Liabilities	13	956,942,378	660,011,596
Provisions	14	56,145,284	51,207,948
		<u>1,013,087,662</u>	<u>711,219,544</u>
<b>Net Current Assets</b>		656,551,595	268,837,382
Miscellaneous Expenditure		-	42,475
(To the extent not written off or adjusted)			
		<u>2,445,171,223</u>	<u>1,459,611,549</u>

### Notes on Accounts

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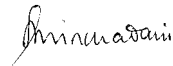
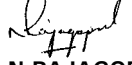
The schedules referred to above and the notes thereon form an integral part of the accounts.

This is the Consolidated Balance Sheet referred to in our report of even date.



  
**S. Dutta**  
 Partner  
 For and on behalf of  
**Price Waterhouse & Co.,**  
 Chartered Accountants

  
**VIJAI KAPUR**  
 Chairman  
  
**RAYMOND K LAWTON**  
 Director  
  
**B SESHNATH**  
 Executive Director and CMO

  
**UDAYANT MALHOUTRA**  
 CEO and Managing Director

  
**Dr. K APRAMEYAN**  
 Director  
  
**GOVIND MIRCHANDANI**  
 Director  
  
**N RAJAGOPAL**  
 Executive Director and COO

  
**K R SRINIVASAN**  
 Group Financial Controller

  
**S. KRISHNASWAMY**  
 Air Chief Marshal (Retd.)  
 Director  
  
**MALAVIKA JAYARAM**  
 Director  
  
**V SUNDER**  
 President and Group CFO

  
**G HARITHA**  
 Company Secretary

PLACE : BANGALORE  
 DATE : 27<sup>th</sup> JUNE, 2008

# CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

	Schedule	2008 Rs.	2007 Rs.
<b>INCOME</b>			
Sales and Services	15	4,053,888,046	2,922,892,351
Less: Excise Duty included therein		494,281,213	520,002,788
Sales (Net)		3,559,606,833	2,402,889,563
Other Income	16	103,526,521	49,735,463
		<u>3,663,133,354</u>	<u>2,452,625,026</u>
<b>EXPENDITURE</b>			
Cost of Materials	17	1,846,326,630	1,477,807,683
Employee Cost	18	603,775,367	219,328,994
Other Operating Expenses	19	643,358,575	336,305,467
		<u>3,093,460,572</u>	<u>2,033,442,144</u>
<b>Operating Profit Before Depreciation and Interest (EBITDA)</b>		<b>569,672,782</b>	<b>419,182,882</b>
Depreciation	131,953,353	99,922,822	
(Less): Transfer from Revaluation Reserve	(341,996)	(341,996)	
Interest	20	107,821,334	67,308,241
<b>Profit Before Taxation and Extraordinary/ Exceptional Items</b>		<b>330,240,091</b>	<b>252,293,815</b>
<b>Extraordinary/ Exceptional items:</b> (Schedule 21 Note 13)			
Merger Expenses [Schedule 21 Note 4(c)]	2,602,227	-	
Formation Expenses [Schedule 21 Note 17(c)]	26,189,916	-	
Others	-	28,792,143	19,318,174
<b>Profit Before Taxation</b>		<b>301,447,948</b>	<b>232,975,641</b>
<b>Provision for Taxation</b> (Schedule 21 Note 10)			
- Income Tax			
- Current		72,133,896	56,306,424
- Deferred		43,917,157	23,888,888
- Fringe Benefit Tax		4,700,053	3,259,000
- Wealth Tax		211,458	211,335
<b>Profit After Taxation Before Minority Interest</b>		<b>180,485,384</b>	<b>149,309,994</b>
Minority Interest in Profits		-	17,412,570
<b>Profit After Taxation</b>		<b>180,485,384</b>	<b>131,897,424</b>
Profit Brought Forward From Previous Year		99,896,168	76,810,587
<b>Profit Available for Appropriation</b>		<b>280,381,552</b>	<b>208,708,011</b>
<b>Appropriations</b>			
Dividend:			
- Interim		10,483,900	8,387,120
- Proposed Final		24,053,515	12,580,680
- Tax thereon		5,188,525	6,044,429
Transferred to General Reserve		18,576,733	81,799,614
Balance		<u>222,078,879</u>	<u>99,896,168</u>
Add: Transfer of Minority Share in Profit and Loss Account [Schedule 21 Note 4(b)]		30,838,185	-
Profit Carried to Balance Sheet		<u>252,917,064</u>	<u>99,896,168</u>
<b>Earning Per Share - Basic and Diluted</b> [Schedule 21 Note 9]			
- Before Extraordinary/ Exceptional Items		49.78	34.93
- After Extraordinary/ Exceptional Items		42.94	31.45

## Notes on Accounts

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The schedules referred to above and the notes thereon form an integral part of the accounts.

This is the Consolidated Profit and Loss Account referred to in our report of even date.

  
**S. Dutta**

Partner  
For and on behalf of  
**Price Waterhouse & Co.,**  
Chartered Accountants


  
**VIJAI KAPUR**  
Chairman

  
**RAYMOND K LAWTON**  
Director

  
**B SESHNATH**  
Executive Director and CMO

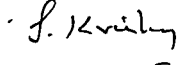
  
**UDAYANT MALHOUTRA**  
CEO and Managing Director

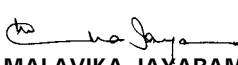
  
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Director


  
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PLACE : BANGALORE  
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