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India's security forces. Company executives lament the slowness in inducting UAVs, which they point out would have been able to locate the terrorists who attacked Pathankot Air Base last month.

The company's balance sheet, a mostly rising graph, has two notable blips. One, the current year's figures will take a notable dip, with the global slowdown hitting all three lines of the company's business: automotive components, hydraulics and aerospace. Two, a debt burden of over ₹600 crore, carried over from the purchase of Oldland and Eisenwerke Erla, continues to require expensive servicing.

The chief financial officer, Hanuman Sharma, downplays concerns about the debt, which he says is moderate given the company's size and turnover. He forecasts a credit rating rise over the next two quarters, from BBB Plus at present to A, which will bring down the cost of capital from a peak of 17 per cent to about 13 per cent.

Meanwhile, turnover is set to grow. Flap track beam assemblies for Airbus' long-range airliners, like the A330, will start being shipped shortly. Bell Helicopters, which has traditionally built products in-house, is expected to lean more on Dynamatic.

Space for more

The company has acquired 27 acres of land adjoining the Bangalore International Airport. Here, Dynamatic Aerotropolis will cater for the expansion of all aerospace activities. With its own helipad, control tower and airspace management system, the company hopes to set up an assembly line for light helicopters and UAVs, as it transitions from a Tier-1 assembly supplier to a "prime contractor" that does the lucrative work of systems integration.

Dynamatic is making a major strategic shift from manufacturing hydraulics and automotive components towards aerospace manufacture—a high profit margin, but capital intensive, business. Sharma says aerospace, which makes just 20 per cent of the group's profits currently, will account for 50 per cent in another three years. Meanwhile, automotive parts will drop from 50 per cent today, to about 25 per cent; with hydraulics dropping marginally from the present 30 per cent to about 25 per cent.

From the production lines, we go back to the boardroom for lunch with company executives. This is a simple meal of Subway sandwiches and pizzas, served up by the executives' drivers. "Nobody in the company sits idle. After bringing us here in the morning, the drivers man offices, move documents around, cut vegetables, serve lunch, and then drive us back home in the evening", explains Malhoutra. "We like our employees to