

The strong order booking growth reiterates the Company's dominant presence in the segment despite stiff global competition and the conducive environment for

E&C segment revenues for the quarter ended September 30, 2005 at Rs. 2796 crore registered an increase of 9% when compared to the corresponding quarter of the previous year. The share of export revenues for the July-September 2005 at Rs. 662 crore represents 24% of the segment revenues. The modest increase in sales is due to bunching up of a large part of the order booking towards the end of the fiscal year ended March 31, 2005.

Outlook

The Company’s various business units are well positioned to take advantage of the robust economic conditions.

Recent announcements and some of the steps taken by the government emphasize the continued thrust on infrastructure development. Strong oil prices have ensured continued investment in exploitation of off-shore fields both in India (by ONGC) and in the gulf region. Minerals and metals sector is likely to witness large investments by both domestic producers and MNCs. All these augur well for order inflow, both in the current year and in the medium term. The inflow of new orders for the E&C Segment for the current year is expected to grow by around 35% over the previous year.

With a healthy project order backlog and good demand growth prospects in the product based business0 1 70.9413(a)8(t)-6(h)4(e pre)5sgsitb0 Tm{p)-3(ro)4(d)4(u)og du4he