

PRESS RELEASE

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Segment revenues at Rs 2619 crore for the current quarter posted a modest increase of 8%, when compared to revenues for the corresponding quarter of the previous year. Export sales for the current quarter constituted 19% of the total segment revenue. The segment result [“PBIT”] for the current quarter at Rs 199 crore showed an impressive increase of 92% over the corresponding quarter of the previous year, attributed to many project jobs crossing the threshold levels for margin recognition.

The order backlog as at June 30, 2006 is healthy at Rs 27453 crore.

Electrical & Electronics Segment

The segment recorded an impressive 31% growth in revenue at Rs 424 crore for the current quarter, driven by robust increases in sales, witnessed in almost all product categories. Improved manufacturing capabilities and higher product realizations have ensured a smart growth in segment PBIT of 68% at Rs 67 crore for the current quarter.

Machinery & Industrial Products Segment

Segment revenues for the current quarter at Rs 337 crore, is higher by 5% when compared to revenues for the corresponding quarter of the previous year. Higher revenues from construction equipment and industrial products / machinery have been partly off-set by lower invoicing from customized orders having a longer lead time for manufacture. Higher price realizations and improved product mix have resulted in a sharp improvement of 86% in profitability.

Outlook

Sustained high oil prices, large global demand have boosted investment plans across sectors, particularly in the areas of hydrocarbons and other core sector industries. The buoyancy in capacity