



PRESS RELEASE

E&C Segment improve its operating margins to 10.5% during the quarter, compared to 9.6% of the corresponding quarter of the previous year.

As at the end of the quarter, the Segment's Order Book stood at Rs. 56336 crore. International Order Book at Rs. 9058 crore represents 16% of the segment's Order Book.

The details of the major orders secured during the quarter are given in the Annexure.

Electrical & Electronics Segment

The segment reported a modest growth in its Order Inflows and Sales, despite the sluggish demand prevailing during the quarter. The segment sales revenue at Rs. 578 crore for the quarter increased by 7% when compared with the corresponding quarter of the previous year. Export revenues constitute 12% of the segment revenues for the quarter. Spurt in input cost coupled with lower sales volume and competitive pressures have resulted in lower operating margins for the quarter.

Machinery & Industrial Products Segment

The segment achieved gross sales of Rs. 634 crore during the quarter, registering a healthy increase of 50% over the corresponding quarter of the previous year. The segment realized higher operating margins for the quarter due to improved performance by Valves, Industrial Machinery and Welding Systems businesses. Construction & Mining Equipment business continued to perform well during the current quarter.

Outlook

The robust order book of the Company provides healthy sales growth visibility over the next one to two years. Considering the importance of sustaining investments in critical sectors like infrastructure, power, hydrocarbon etc., the Company is optimistic of achieving growth in order inflows in the near to medium term. The Company will continue to look out for investment in growth enhancing opportunities. The Company's focus on strategies and measures to counter inflation and changing economic conditions are expected to help sustain the profitability of its various businesses.

Rs. Lakh

	2008	2007	(Audited)
1 Gross Sales / Revenues from Operations	699276	457387	2518748
Less: Excise Duty	9133	6987	33278
Net Sales / Revenues from Operations	690143	450400	2485470
2 (i) Other Operational Income	346	169	2315
(ii) Interest Income	1042	1769	8448

