

account of demerger of the cement business.

Gross Sales & Service Revenues for the quarter ended March 31, 2004 amounted to Rs. 3587 crore. Profit before tax and Profit after tax for the quarter amount to Rs. 413 crore and Rs. 286 crore respectively.

In order to facilitate understanding, a separate statement is given showing the following:

current year financials

Supply and erection of 132 kV transmission line in Bihar for Power Grid Corporation Ltd	43
Construction of Depot-cum-Loco Workshop building at Najafgarh, Delhi for Delhi Metro Rail Corporation Ltd	43

Overseas

Coal gassifier internals and shell for Yunan Chemicals, China	104
Construction of Multi-storeyed Hotel service apartments in Manama, Bahrain for Radisson Group	71
Construction of Showroom, Warehouse, Service reception and Auto-carwash shed at Sharjah for Dyna Trade	26
DHDS reactors (Ultra Low Sulphur Diesel project) for Fluor Daniel, Canada	25

Of the new orders booked during the year, 26% are from Infrastructure sector. Hydrocarbons Sector accounted for 25%, while Power sector and Process equipment sectors together contributed 30% of the orders booked.

The segment recorded Revenues of Rs. 3124 crore during the quarter and for the full year Revenues amounted to Rs. 8252 crore, representing an increase of 34% over previous year. Export sales for the quarter and for the year amounted to Rs. 517 crore and Rs. 1307 crore respectively.

The order backlog is healthy at Rs. 16961 crore as on March 31, 2004, which is 24% higher than the previous year.

The operating margin of the segment for the year remained stable at 8.3%, despite absorbing the increase in cost of inputs like steel, fuel, freight, etc.

Electrical & Electronics

During the quarter, the Electrical & Electronics segment achieved Gross revenues of Rs 290 crore. For the full year, Revenues amounted to Rs 958 crore, recording a smart increase of 23% over the previous year. Export orders during the year have risen to Rs. 63 crore, showing an annual increase of 46% and accounting for 7% of the portfolio. Several initiatives like product branding for MNCs, expanding and adapting the product range for the targeted overseas markets, and upgradation of manufacturing infrastructure to world class standards are under implementation.

The segment did well to record operating margin of 13.9% in an intensely competitive domestic business environment, even while stepping up exports.

Interest Cost

Gross interest cost and net interest cost of the Company for the year amounted to Rs. 92 crore and Rs. 37 crore respectively. The borrowing cost was optimized through judicious use of derivatives and optimum mix of borrowings in terms of currency and tenor.

Provision for Taxation

The provision for current tax at Rs. 280 crore is significantly higher than the previous year's provision of Rs. 88 crore. Apart from the higher level of earnings, the increase is due to full utilization in last year of all tax credits of earlier years.

Consolidated Financials

The consolidated Gross Sales Revenues for the year of L&T Group, including its domestic and overseas subsidiaries amounted to Rs. 11107 crore and the Group profit has increased impressively on improved performance of most of the subsidiaries.

Outlook

With a strong order backlog, the E&C segment is expected to show a healthy growth in revenues next year. The fundamentals in the economy are reasonably strong and the thrust on reforms is expected to continue. There are prospects of sizeable investments in the manufacturing sector and infrastructure sec134(i)4(Tm[t]-3(h)-3(