

CENTURY TEXTILES AND INDUSTRIES LTD.**PRESS RELEASE ON FINANCIAL RESULTS FOR THE YEAR 2003-04****1. Overall Review:**

In spite of the adverse market condition prevailing for major part of the year in the Cement segment forming a sizable chunk of the Company's activity, the overall profitability of the Company during the year under review has remained almost at the same level as compared to that of the last year of which the main contribution factors were better cost and finance management. The financial restructuring programme being implemented by the Company for the last few years has reduced the interest burden considerably. Most of the high cost loans have been prepaid by the fresh borrowings at lower interest rates, which has helped in reducing the interest burden to a considerable extent. During the year review, the interest cost has come down due to the above restructuring process by about 31% which shows a healthy trend in the financial position of the Company.

2. Exports:

The total export of the Company amounted to 19% of Net sales i.e. at the same level as last year. The price of the Cotton Yarn and Denim fabric in export market were under pressure due to demand recession. Therefore, in the case of Yarn and Denim Division which were 100% Export Oriented Units (EOU), it was felt necessary to change the status by giving up the EOU status through the process of debonding so that we have the liberty to sell the products in the domestic market as well as in international market wherever the realisations are higher. The debonding process has already been completed.

3. Expansion & modernization:

One Thermal Power Plant of 15 MW capacity at Mahiar Cement in the State of Madhya Pradesh will be installed and is expected to be commissioned during the first half of the financial year 2006-2007.

At Century Yarn and Denim Division, it has been decided to install 6 MW Power Plant using LSHS / Furnace Oil at the plant site which is expected to be commissioned by the end of the financial year.

Both these Captive Power Plants will help in reducing the power costs.

Thrust on modernization and Technological upgradation programme continues to face competition and ensure better quality of our product.
