

**CENTURY TEXTILES AND INDUSTRIES LTD.****PRESS RELEASE ON FINANCIAL RESULTS FOR THE YEAR 2005-06****1. Overall Review:**

The profitability of the Company improved during the year. This was mainly because of better performance of Cement and Pulp & Paper Divisions of the Company. Textiles including Viscose Filament Yarn (VFY) still continues to show profitability. With the sale of the only remaining ship, the operations of the Shipping Division have come to an end. In spite of rising interest cost including a substantial increase in the London Inter Bank Offered Rate (Libor), the Company's interest cost has remained almost at the same level as that of the previous year on account of better financial management and tight control.

**2. Exports :**

The total exports of the Company amounted to Rs. 318 crore which represents about 12 per cent of the Net Sales.

**3. Textile Mill at Mumbai :**

Continuing our consistent approach, we are progressively reducing the production at our textile mill in Mumbai where currently about 1200 looms and 77,000 spindles are in operation. It has been decided to bring down gradually the production of fabrics by reducing the number of looms in operation to about 500 as also reducing the requisite number of spindles and ancillary machineries needed to continue the operations viably. We will make our best efforts to continue the operations viably on a reduced scale.

**4. Expansion & Modernisation :****a) Century Denim**

The Company has successfully completed the expansion of its Denim plant by enhancing the plant capacity by 10 million metres per annum of quality Denim. The new plant for manufacturing Denim including value added fabrics has already been commissioned in March, 2006 as scheduled.

**b) Century Rayon**

Erection and commissioning of a 60 tonnes per day Fluidised Bed Combustion Boiler at a cost of about Rs 20 Crore (Rupees Twenty Crore only) in replacement of the old and inefficient oil fired boilers is under way and expected to be completed during the current year. This will result in reduction of the cost of steam and improvement in operational efficiency.

**c) Cement**

- i) New captive thermal power plants of 15 MW at Maihar Cement Unit and 10 MW at Century Cement Unit have been commissioned in the month of March, 2006 and April, 2006 respectively. With the commissioning of these plants, the total installed capacity of captive thermal power plants of the cement divisions is now 75 MW (Century Cement – 25 MW, Maihar Cement – 35 MW and Manikgarh Cement – 15 MW).
- ii) The progress of project work for capacity enhancement from 6.3 million tonnes to 7.8 million tonnes in the aggregate at all cement units is satisfactory and the capacity is likely to be increased by December, 2006.

**d) Pulp & Paper**

The installation of the 211 TPD Paper Plant based on waste paper/non-conventional raw material and a 16 MW Turbine is in progress and will be commissioned by December, 2006 as scheduled. Modernisation in Rayon Grade Pulp Plant is being undertaken by installation of 3 Nos. brown stock washers for 4 stage washing and an oxygen bleaching system. These are expected to be commissioned by September, 2006. The multifuel boiler and two digesters for processing wood chips to make pulp have already been commissioned during the year under review.

**e) General**

Modernisation and technological upgradation programmes, as necessary, are being continued in all the units of the Company to maintain competitiveness and achieve better quality. Stringent cost control measures are being implemented in all possible areas.