

CENTURY TEXTILES AND INDUSTRIES LTD.**PRESS RELEASE ON FINANCIAL RESULTS FOR THE YEAR 2007-08****1. Overall Review:**

The profitability of the Company has increased in comparison to the previous year, mainly driven by better performance of the Cement and Pulp & Paper Divisions. In spite of adverse market conditions, the performance of Rayon Division is considered to be satisfactory. 'Century Mill', the Textile unit of the Company at Worli, Mumbai, has now closed and detailed comments about this are given separately under the heading Textile Mill at Mumbai.

Demand growth for cement is expected due to major infrastructure development projects as well as construction of residential units. The prices and demand for paper are likely to rule firm owing to the Central Government's sustained thrust on promoting education at all levels. Furthermore, by producing finer denier yarn used for high value fabric, the demand for Viscose Filament Yarn (VFY) is expected to improve.

2. Textile Mill at Mumbai :

The Textile unit of the Company at Worli, Mumbai has closed down with effect from 12th January, 2008 pursuant to the State Government's approval for closure of the mill under the applicable provisions of the Industrial Disputes Act, 1947. Out of the remaining 275 workers, 82 have challenged the decision and the matter is pending before the Industrial Tribunal at Mumbai.

We have decided to develop the available mill land at Worli, Mumbai for commercial purposes. To obtain the optimum benefit, we intend to use the land for the purpose of Hospitality services, Information Technology, Information Technology Enabled Services and other commercial purposes, subject to various permissions and approvals, which will be obtained in due course. The construction work can commence only after all permissions and approvals are in place.

3. Exports :

The total exports of the Company amounted to Rs.292 crore which represents about 8% per cent of the Net Sales.

4. EXPANSION & MODERNISATION:

a) Textiles

The project work for setting up a new Textile Mill as a separate Division of the Company named as “Birla Century”, at GIDC Industrial Estate, Jhagadia, Dist. Bharuch in the State of Gujarat, is at an advanced stage and is expected to be commissioned by about June 2008 as scheduled. The mill is slated to house about three hundred looms and one lac spindles for a manufacturing capacity of about twenty five million metres of fabrics per annum. The plant will also be equipped with a gas based captive power plant of 30 MW.

b) Cement

- i) Modification and upgradation work at all Cement units is complete and the current cement manufacturing capacity has increased to 7.80 million tonnes per annum, with effect from 1st March, 2008.
- ii) Subsequent to our report in the previous year, our proposal for cement capacity expansion is modified to increase the current cement manufacturing capacity from 7.80 million tonnes per annum to 11.80 million tonnes per annum. This is expected to be achieved by setting up a new clinker line of the capacity of 2.50 million tonnes and an equivalent cement grinding facility, adjacent to the existing plant of Manikgarh Cement at Gadchandur, Maharashtra, along with a captive Thermal Power Plant of 40 MW and as planned earlier, the 1.50 million tonnes per annum cement grinding unit at Sagardighi in Dist. Murshidabad, West Bengal. The revised total outlay for the aforesaid expansion is estimated to be about Rs.1800 crore. Environment clearance from Ministry of Environment and Forests, New Delhi, has been

: 3 :

received for expansion of Cement Manufacturing Capacity at Gadchandur, Maharashtra. The clearance for Forest Land admeasuring 7.06 hectare for pipe/belt conveyer system is yet to be received from Ministry of Environment and Forests, New Delhi. We intend to place orders for major equipments for expansion at Gadchandur, Maharashtra after getting clearance for forest land.

As regards setting up a grinding unit at Sagardighi, District Murshidabad, West Bengal, we have taken possession of 159 acres of requisite land. The Environment Clearance for the Grinding Unit is expected shortly from the Pollution Control Board, West Bengal. We plan to place orders for major equipments for the Grinding Unit at Sagardighi, West Bengal after getting the environment clearance as mentioned above. The expansion is expected to be operational within 3 years from the placement of orders for the Plant and Machinery.

c) Pulp & Paper

Prime Grade Tissue Paper Plant:

Orders for major machineries have been placed. Civil construction of buildings for plant and godowns is in progress. The project is running on schedule and is expected to be operational by about November, 2008. Total cost of the project is expected to be around Rs.175 crore.

Multi-layer Packaging Board Plant

To diversify further and to cater to the growing Packaging Paper Board demand, it has been decided to set up a 500 tonnes per day Multi-layer Packaging Board Plant and a 40 MW Power generation plant with an estimated investment of about Rs.775 crore. The Board Plant is proposed to be installed adjacent to the existing Pulp and Paper Plant at Lalkua, Dist. Nainital, Uttarakhand and is expected to be operational by December, 2009. Quotations for the main Plant and Machinery have been received and are under process.

Fibre Line (Pulp Plant)

It has been decided to install a state-of-the-art, eco-friendly Fibre Line to produce best quality wood pulp, with a capacity of 450 tonnes per day and a Chemical Recovery boiler of 1,200 tonnes per day to meet the requirements of pulp for the Paper Board Plant. The Fibre Line will also help in the enhancement of paper production in the existing plants at Lalkua, Dist. Nainital, Uttarakhand. The estimated investment for this expansion is Rs. 495 crore and the plant is expected to be operational by December 2009. We have already received quotations for the main plant and machinery and these proposals are currently being reviewed.

d) General

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