

CENTURY TEXTILES AND INDUSTRIES LTD.**PRESS RELEASE ON FINANCIAL RESULTS FOR THE YEAR 2008-09****1. Overall Review:**

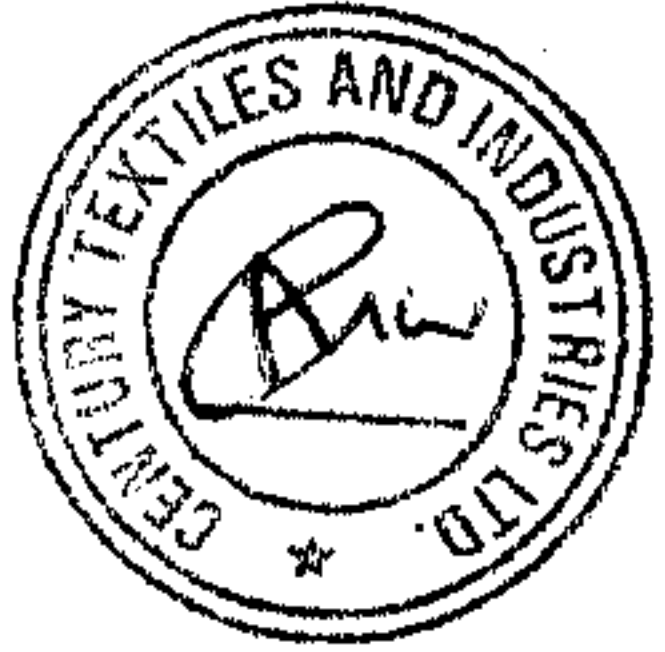
The profitability of the Company has been adversely affected due to demand recession. The stimulus packages brought out from time to time by the Central Government and the Reserve Bank of India have shown some positive impact on industries, yet it is still too early to foresee the extent of the beneficial effects of these measures. It seems that the industry may take some time to reap the benefits substantially. Despite the infusion of liquidity into the economy from time to time, the banks have been slow to reduce interest rates. However, with the drop in inflation and crude oil prices, it is expected that the Indian economy should recover its momentum in due course and more favourable trends are expected from later this year.

2. Land Development at Worli, Mumbai :

The land development at Worli, Mumbai, where Century Mill was situated, is under process for various commercial uses and permissions from Municipal Corporation, Government of Maharashtra and other related agencies are being pursued so as to commence physical construction work in the near future. The existing old buildings are in the process of being demolished to the extent possible and further appropriate action will be taken in due course. The expected cost of development in the first phase would be about Rs.625 crore.

3. EXPANSION & MODERNISATION:**a) Textiles**

The new Textile Unit of the Company viz. 'Birla Century' in District Bharuch in the State of Gujarat has achieved full production.



b) Cement Grinding Unit at Sagardighi, West Bengal

The Company has taken possession of 159 acres of land for setting up the grinding unit at Sagardighi in Dist. Murshidabad, West Bengal. The environmental clearance has also been received from the Pollution Control Board, West Bengal. A Memorandum of Understanding has been entered into with West Bengal Power Development Corporation Ltd. for assured supply of fly ash from their thermal power plant adjacent to the Company's site. A work order has been placed on RITES Ltd., Kolkata for the construction of railway siding. An agreement has also been entered into with the West Bengal Electricity Distribution Company Ltd. for supply of 132 KV of bulk power.

The grinding unit-with a capacity of 1.5 million tonne capacity per annum is expected to be operational within a period of about two years from the date of placement of orders for the plant and machinery which are expected to be finalized within next three months. The total outlay on the project is expected to be Rs.425 crore.

c) Pulp & Paper

A prime grade tissue paper plant at Lalkua, Dist. Nainital, Uttarakhand with a capacity of 100 tonnes per day for manufacture of a number of varieties of tissue paper has been commissioned and full production achieved.

Orders for purchase of major machinery have been placed for the multi-layer Packaging Board Plant, 40 MW power generation plant as well as the Fibre Line (Pulp Plant) involving a capital outlay on all above projects amounting to about Rs.1425 crore. Civil construction of buildings for both the projects is in progress.

d) General

Modernisation and technological upgradation programmes are a continuing activity in all the units of the Company to maintain competitiveness and achieve better quality. Stringent cost control measures remain in place in all possible areas and are regularly reviewed.

