

Press Release

DCM Shriram Consolidated Limited sells its share in SBM Land Redevelopment Project, Delhi.

The total project valued at Rs. 1,675 crore

New Delhi, August 16, 2007

DCM Shriram Consolidated Limited (DSCL) an integrated business group, with extensive and growing presence across the entire agri-rural value chain and chloro-vinyl industry, at its Board Meeting today approved the sale of its 50% rights, title and interests in SBM Land Redevelopment Project. The Company simultaneously signed binding agreements with M/s. BES Buildcon (P) Ltd., New Delhi (a subsidiary of M/s. DLF Ltd.), for the aforesaid transaction.

SBM Land Redevelopment Project has an area of 38 acres for development as on date after surrendering about 74 acres to DDA in terms of the relevant orders of the Hon'ble Supreme Court. The land is situated in West Delhi, approximately 10 k.m. from Connaught Place.

The Company has been receiving several offers for participation in this project directly as well as through ICICI Bank, who was appointed to assist the Company in valuation and sale. The offer received from DLF Ltd. was considered and accepted as the best offer.

The total project has been valued at Rs. 1,675 crore. DSCL owns 50% undivided rights and titles in this land redevelopment project. Accordingly, DSCL has received Rs. 837.50 crore as consideration immediately on signing of the Agreement to Sell.

Commenting on the sale, in a joint statement, Mr. Ajay Shriram, Chairman & Senior Managing Director, and Mr. Vikram Shriram, Vice Chairman & Managing Director, said:

"We have our hands full with multiple initiatives that we are implementing to augment our long-term growth and performance. It has been on our mind for sometime to monetise this asset to support our growth plans. The sale of this SBM Land Redevelopment Project represents a well considered exit option at a satisfactory price, to a reputed company.

We intend using the cash realized from this transaction to part fund our expansion plans and new initiatives while simultaneously enhancing the quality of our balance sheet. "

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About DCM Shriram Consolidated Limited (DSCL)

DSCL is an integrated business group, with extensive and growing presence across the entire Agri-rural value chain and Chloro-vinyl industry. The company is adding innovative value-added businesses in these domains. With a large base of captive power produced at a competitive cost, the company aims at maximizing value creation in its Chloro-vinyl businesses. The high-value and knowledge based business incubated by DSCL include Fenesta Building Systems, and rural retailing initiative Hariyali Kisaan Bazaar.

For more information on the Company, its products and services please log on to www.dscl.com.

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