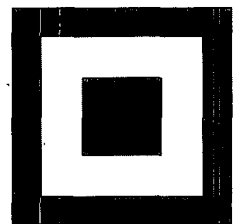
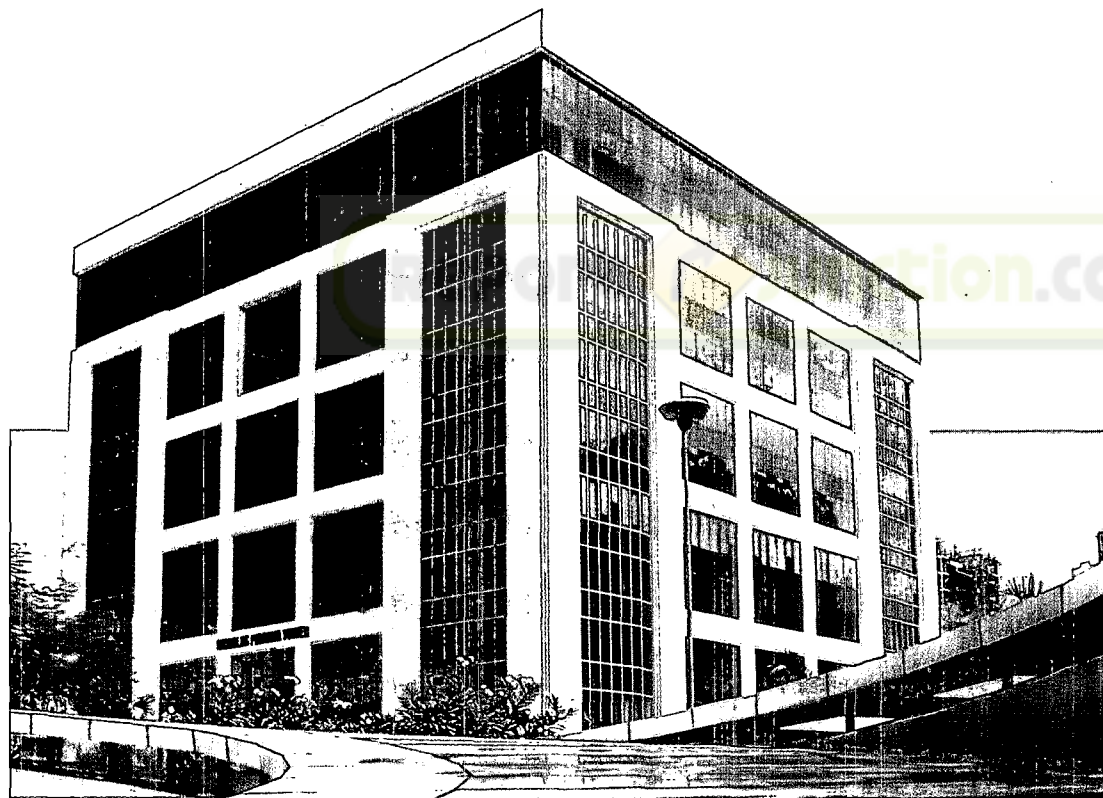


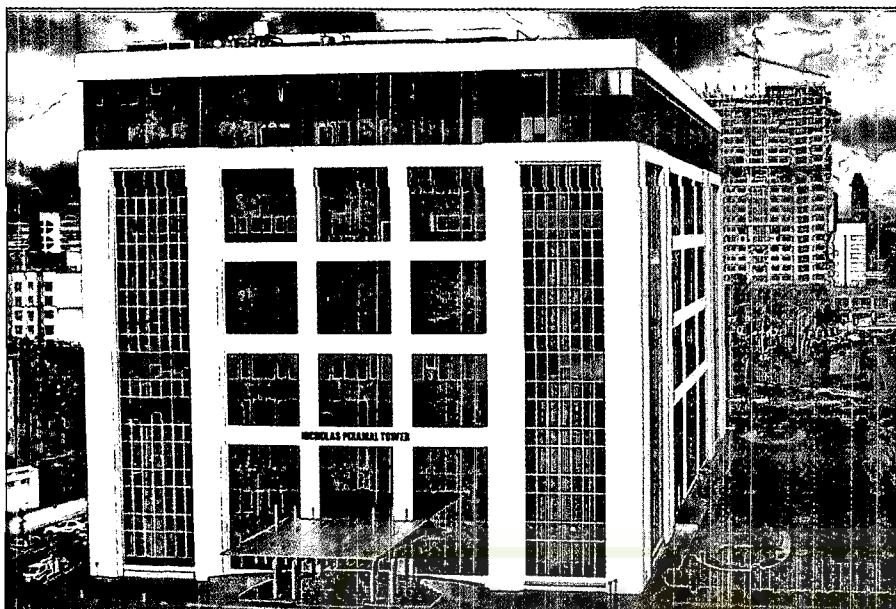
PENINSULA LAND LIMITED

136th Annual Report 2007-08



ASHOK
PIRAMAL
GROUP

 **PENINSULA LAND**
CREATING INTERNATIONAL LANDMARKS



A part of the Ashok Piramal Group, Peninsula Land Limited has been formed with the merger of Piramal Holdings Limited with Morarjee Realities Limited in 2005. Peninsula Land Limited (herewith referred to as the Company / Peninsula Land) ranks amongst the first few real estate companies to be listed on the Indian stock exchange (BSE: 503031). Buoyed by its unique presence across various realty segments, the Company's position is further boosted by its synergistic business extensions. These include a domestic real estate fund and facility management services to manage developed real estate.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Ms. Urvi A. Piramal
(Chairperson)

Mr. Rajeev A. Piramal
(Executive Vice Chairman)

Mr. Mahesh S. Gupta
(Group Managing Director)

Mr. Rajesh Jaggi
(Managing Director)

Mr. Amitabha Ghosh

Ms. Bhavna Doshi

Mr. C. M. Hattangdi

Mr. D. M. Popat

Mr. Deepak Summanwar

Mr. H. M. Kothari

Mr. Jaydev Mody

Mr. Sudhindar Khanna

Mr. V. Hariharan
Group CFO

Mr. Bharat Sanghavi
CFO

Mr. Kausik Nath
Company Secretary

AUDITORS :

M/s. Haribhakti & Co.
Chartered Accountants

BANKERS :

Allahabad Bank

HDFC Bank Ltd.

Yes Bank Ltd.

ICICI Bank Ltd.

REGISTERED OFFICE :

Peninsula Spenta

Mathuradas Mills Compound

Senapati Bapat Marg

Lower Parel, Mumbai 400 013



READY FOR THE FUTURE

At Peninsula Land, we are proud of our ability to think intelligently and dream big. Consistently.

By our boldness to tread the path less traveled and courageously implement unique business strategies. Unfailingly.

By our conviction to pre-empt generation-next trends and recognise opportunities with certainty. Unboundedly.

By our passion for exemplary performance and our enthusiasm to be the best. Uncompromisingly.

Resulting in unmatched experience, expertise and credibility, helping us build a strong foundation for success, a foundation which was adequately reinforced by the positive events of the past one year.

As we move into another exciting year, we are optimistic that our collective strengths will usher in a future that stands for scale, growth and positive returns to all stakeholders.



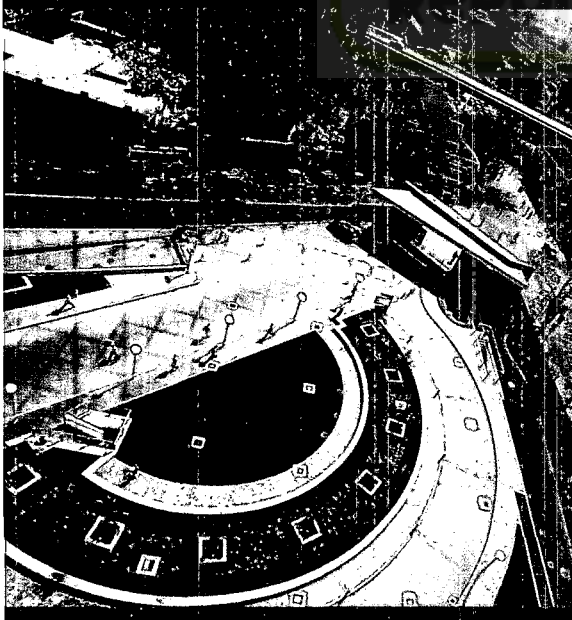
STEADFASTLY. LAYING THE FOUNDATION.



The achievements made in 2007-08 along with our past credentials, proven strengths and manpower capabilities provide an infallible foundation to build a whole new momentum of progress.

For instance, Peninsula Land:

- Inked a path breaking deal for sale of office space to Alok Infrastructure for Rs. 1,075 crores.
- Executed a mega Rs. 1,065 crores transaction for sale of the two buildings (of the four-building complex) at "Peninsula Technopark". As part of the agreement with Swan Mills, Peninsula Land is developing, executing and marketing this four-building complex off Bandra-Kurla Complex in Mumbai.
- Raised Rs. 525 crores through Qualified Institutional Placements (QIPs).
- Amicably resolved and eliminated the temporary obstacle in the development of 4 mill land projects and work is on full swing at these project sites.
- Raised Rs. 160 crores domestically for Peninsula Realty Fund.
- Multi-location expansion plans being implemented to de-risk development portfolio.



LETTER FROM THE CHAIRPERSON



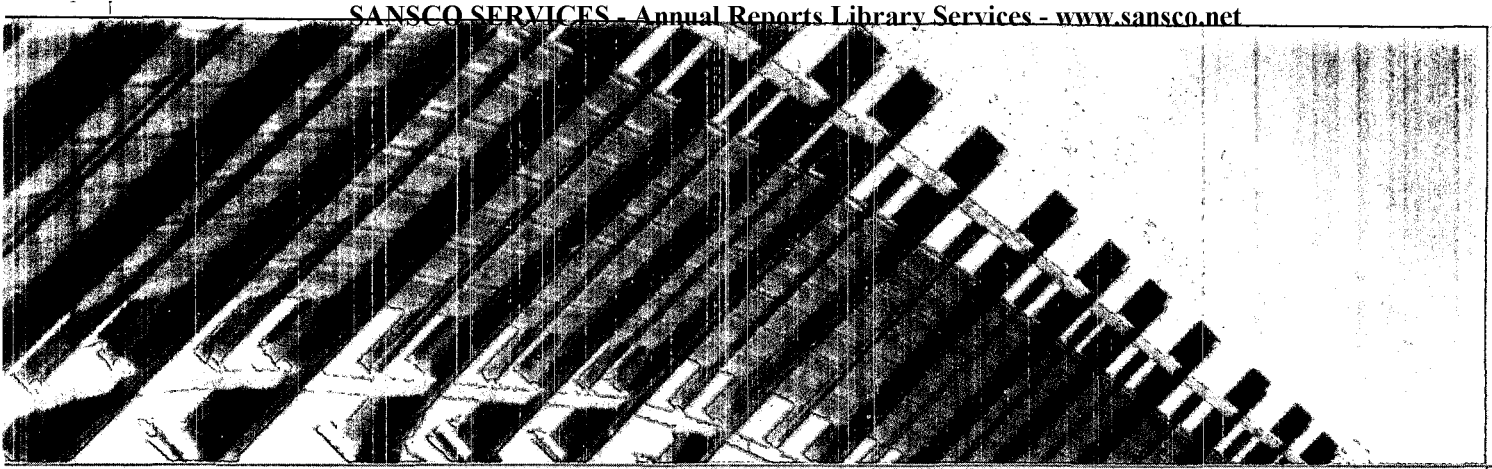
Dear Shareholders,

It gives me great pleasure to present the Company's 136th Annual Report and share my thoughts on last year's performance as well as the future plans of the Company.

For Peninsula Land, the last year was a difficult one as work on all our mill land projects in Mumbai was affected for more than six months due to stop work notices received from the Municipal Authorities. As a Company, we have always complied with rules and regulations in force and hence the notices were, in my view, unjust. However, to

minimise the impact on the Company's profitability on account of stoppage of work, we had taken up the matter with the Government Authorities for amicable settlement and the stop work notices were withdrawn w.e.f. 2nd April, 2008. Since then, work on all projects has commenced in full swing.

We have substantially sold most of our Mumbai projects, thereby de-risking ourselves from the threat of any downward price correction and also at the same time ensuring certainty of cash inflows. We now have land in the cities of Pune, Goa, Nashik, Nagpur and Hyderabad



wherein development work is expected to commence shortly and the projects will be completed over a span of 3 to 5 years.

In spite of the issues faced by the Company, as enumerated above, we still posted a profit after tax of Rs. 129.79 crores compared to Rs. 132.04 crores for the nine months ended 31st March, 2007. In addition to this we were successful in raising Rs.525 crores by issue of shares through the Qualified Institutional Placement (QIP) route. Your Company was also successful in obtaining PR 1 and CARE A- ratings by the Credit Rating Institution - CARE, for the Company's short term and long term borrowings.

Though the last year started on a promising note, towards the last quarter, the global economy has been adversely impacted by the turmoil in financial markets in the United States on account of the subprime crisis. This has been further aggravated by the unprecedented increase in the price of crude oil. The aftershocks of the crisis in global financial markets had its impact on the Indian economy which had a dream run for the last several years and is now, feeling the heat in the form of high inflation, which is threatening to slow down the growth. However, the silver lining is that experts still regard India as a long term success story and hope that the Government and industry will put their act together to come out of this unscathed.

Turning to real estate, which again witnessed unprecedented increase in prices, the sector is now showing signs of correction. However, I feel these are short term blips and real estate as a sector will continue to be a major contributor to the Indian economy. I say

this because the growth drivers in case of each asset class of real estate continue to remain robust.

- Residential - driven by a growing middle class population with high disposable incomes and increasing urbanisation.
- Commercial - driven by a sustained demand from IT / ITeS sector as well as entry / expansion of MNCs in India.
- Retail - largely driven by growth of organised retail, whose presence today is minuscule compared to our Asian peers.
- Integrated Township - driven by the demand for quality lifestyle, walk-to work concept and the development of commercial, retail, residential, and leisure facilities within a given area.
- SEZs, which would be the next growth driver for the manufacturing and infrastructure sectors.

At Peninsula Land, our efforts will continue to leverage our brand equity and project management skills across the spectrum of the real estate arena.

Finally, I thank you for the continuous support given to us and the trust reposed in us. I am confident that with the unstinted efforts put in by our dedicated team of employees, Peninsula Land will continue to scale greater heights in the years to come.

Yours sincerely,

URVI PIRAMAL
Chairperson

INTELLIGENTLY. DE-RISKING AT PATH-BREAKING RATES.

Acute shortage of quality commercial and residential space. Saturated pockets of realty. That's the Mumbai real estate scenario.

Though the realty market in Mumbai has reached a saturation point in some pockets, Peninsula Land remains largely insulated as a majority of the projects are sold prior to completion of their construction. And by choosing to follow a de-risking strategy, Peninsula Land has by and large insulated itself from the adverse impact of this market situation. The Company has successfully sold substantial portions of its residential and commercial properties at attractive rates to raise funds for the future and ongoing development.



Peninsula Business Park, Lower Parel (Mumbai)

During the year, Peninsula Land inked a path-breaking deal with Alok Infrastructure, the wholly-owned subsidiary of the integrated textile company Alok Industries, for selling approx. 0.575 million sq. ft. of commercial space in Peninsula Business Park, Mumbai for a consolidated amount of Rs. 1,075 crores. Peninsula Land has received Rs. 75 crores from Alok Industries and the balance will be received in a planned manner over the next three years. This high value, headline-grabbing transaction was Mumbai's second-largest land deal and the country's fourth largest.

This office space is part of the modern approx. 1.2 million sq. ft. IT / ITes complex being developed on the land where Dawn Mills thrived once upon a time. The work at this complex comprising of two towers one of 21-floors and the other of 19-floors (in addition to a basement and 5 level podium, 85% open area with modern infrastructure and world-class amenities) is estimated to be completed by September 2010.