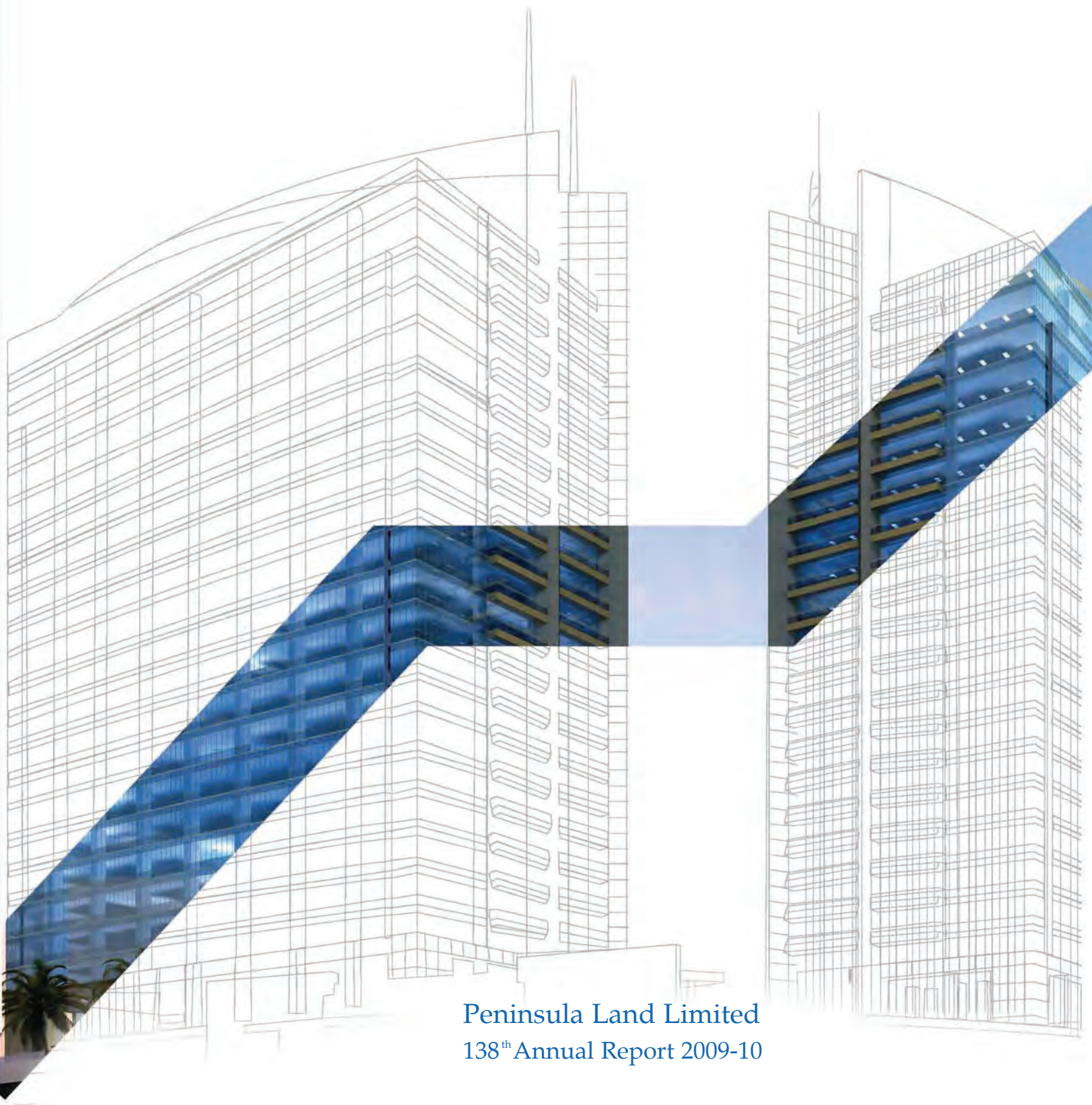


Delivering Growth. Consistently.



Peninsula Land Limited
138th Annual Report 2009-10

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MESSAGE FROM THE CHAIRPERSON



Dear Shareholders,

World economy on path of recovery

After an agonising 2008, last year has seen some recovery in the world economy. The trends are pointing to a positive outlook and most sectors are gradually stabilising. Conditions in the financial markets have improved and household spending has gone up, indicating that we may be out of the woods.

The recovery has continued through the first quarter of this calendar year, but has been very uneven. The developing and emerging countries have recovered relatively faster compared to the developed nations. According to International Monetary Fund (IMF) forecasts in January this year, the world economy would grow by 3.9% in 2010. This is higher than 3.1% which they had forecasted in October last year.

India back to robust growth

India is back to robust growth aided by strong fundamentals and favourable policies. Timely intervention by the regulatory bodies in matters related to monetary and credit measures have played a key role in improving private demand and liquidity.

Investor confidence is back and FII inflows in India exceeded USD 23.6 billion in FY 10. The sensex bounced back from a low of 8,047 points and is currently at 16,657 points (as on 9th June, 2010).

India's Gross Domestic Product (GDP) promises to grow at a strong 8.5% in FY 11 as compared to 7.4% in FY 10. The rupee is strengthening which is a very good sign for businesses. With a large consumption base, India is well poised to grow faster.

The real estate sector in India

A stable Central Government, improved economic sentiment and a rallying stock market brought back confidence into the real estate sector. The fundamentals of India's real estate sector improved as witnessed by better liquidity and improved demand in the residential segment.

India leads the pack of top real estate investment markets in Asia for 2010, according to a study by PricewaterhouseCoopers (PwC) and Urban Land Institute. The report, which provides an outlook on Asia-Pacific real estate investment and development trends, points out that India, in particular Mumbai and Delhi, are good real estate investment destinations. And as you know, Peninsula Land has a great presence in Mumbai.

According to the report of the Technical Group on Estimation of Housing Shortage, there is an estimated shortage of 26.53 million houses during the Eleventh Five Year Plan (2007-12). This provides a big business opportunity for us.

During the last year, prices have stabilised and may see a marginal increase in the near future. This growth will be driven by Government's spend on infrastructure, improved access to debt & capital markets and better job security.

Peninsula Land continued its growth story

Backed by solid foundation and sound business strategies, Peninsula Land continued to display a brilliant performance. Our philosophy of prudent land banking and our emphasis on timely execution of projects have held us in good stead during these testing times.

During the year, our revenues have grown by 37.10% to Rs. 817.05 crore and profits by 94.53% to Rs. 290.86 crore as compared to the previous year.

Today, Peninsula Land is in a comfortable financial position with adequate cash in hand. With over Rs. 640 crore in the kitty and committed cash flow from projects already sold, the Company is poised for a much higher growth in the coming years.

During the year, we completed and handed over possession of three of the four towers at our premium residential project Ashok Towers. Another top-class project, Ashok Gardens will be completed and handed over by the end of this financial year.

Peninsula Business Park at Lower Parel is expected to be completed by the end of the current financial year. Work on Peninsula Technopark is progressing well.

During the year, we expanded our operations outside Mumbai and launched our residential projects at Betim in Goa and Nasik in Maharashtra. We have also taken up redevelopment of a residential project at Napean Sea Road in Mumbai.

Outlook

We are ready for the next phase of growth.

With availability of land in Mumbai, we are looking at newer opportunities. We are aggressively pursuing land acquisition all over Mumbai. We will continue to focus on developing properties all over Mumbai and other cities as planned.

We plan to develop projects in Goa, Nasik, Pune and Hyderabad where we have already bought land. With our execution capabilities, we are confident of timely completion of the projects and further improvement of cash flows.

Last but not the least, let me thank you for all the support and the trust you have reposed in the Company which has enabled us to achieve this growth. I am confident that this will continue and Peninsula Land is confident of continuing on its growth trajectory in the future.

Yours sincerely,

Urvi Piramal

Chairperson

10th June, 2010



Delivering Growth. Consistently.

We stand strong today.

Consider this.

Our revenues have grown at a CAGR of 31% over the last 3 years.

Our PAT has grown at a CAGR of 31% over the last 3 years.

In 2009-10 itself, the Company recorded a growth of 37.10% in the topline and 94.53% in the PAT.

Over the years, we have delivered growth. Consistently. Not just in our numbers but qualitative as well.

Here's how.

The Company has Rs. 640.42 crore cash on the balance sheet and our leverage is under 0.35. We are executing 15.40 million sq. ft. of real estate with high pre-sales and high cash flow visibility.

We are an integrated company with robust systems in place and this ensures that we consistently deliver on our commitments.

We are well experienced in executing joint ventures with other land owners who also invest for construction. In these projects, we lend our expertise, build, brand, sell and add value right up to the project handover stage and even in managing the property. With lower capital investment, these projects offer high visibility to our brand as well as projected cash flows.

We are a customer-centric company. Over the years, we have created a distinct presence in the customer's mind. We have invested in strong and visible brands. Ashok, Peninsula and Crossroads are landmark brands in Mumbai.

We are urban-centric.

Being a company in the premium real estate segment, we have one of the highest gross margins in the business.

We look ahead with confidence.

Peninsula Land acquires land that can be developed over a 3 to 5 year period. So far we have executed over 2.34 million sq. ft. Our current land bank is in excess of 500 acres and has a development potential of around 28 million sq. ft.

Being growth focused, we continue to strengthen our presence in the cities of Mumbai, Pune, Nasik, Hyderabad and Goa. As we acquire more land bank with a view to execute the same within 3 to 5 years, the visibility for the next leg of our growth will increase.

We will continue to be financially disciplined, ensure acquisition of prime locations at competitive prices, execute landmark projects and remain determined in our pursuit of consistent growth.

We have demonstrated the power of focus and the discipline to deliver consistent growth. On the foundation of our strengths - our brand, customer-centric approach, proven execution capabilities and robust balance sheet, we will build a stronger tomorrow.

Welcome to strength, consistency and growth.

Welcome to Peninsula Land Limited.





BUSINESS STRATEGY

