

SMART | SENSIBLE | SECURE
STRATEGIES!



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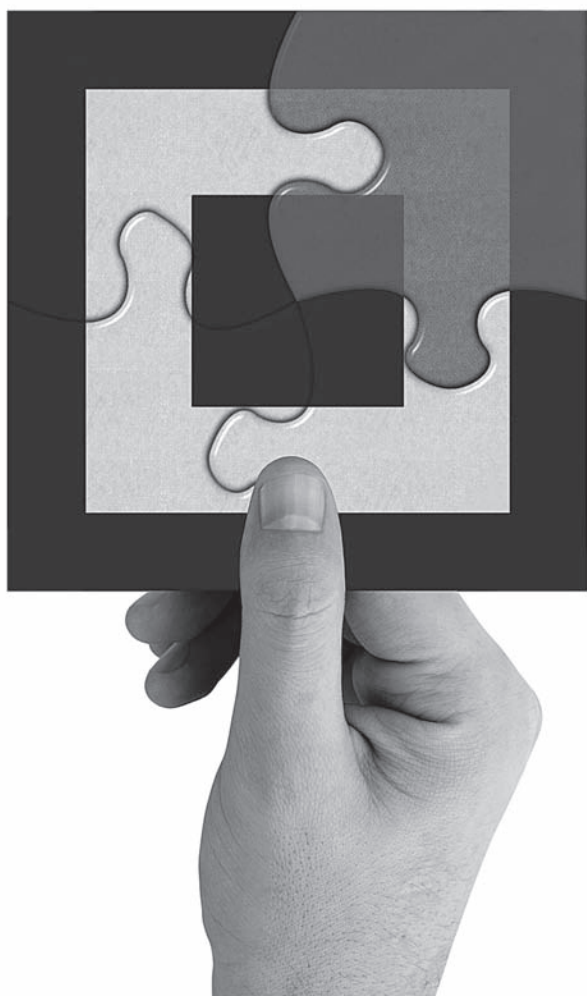
Smart, Sensible, Secure Strategies!

Our Vision: ***To create international landmarks through innovation and best practices thereby enhancing value to our customers.***

The vision establishes first and foremost, our commitment to value creation and enhancement for our customers. We have structured our business and built an organization fully imbibing the vision in word and spirit and aligned all our strategies to it. After understanding customer needs, we employ industry best practices for creating innovative designs and executing our projects to the highest quality. Seamlessly aligned to achieve the objectives stated in the vision, our strategies provide us the roadmap to channelize our resources, effectively providing a blueprint of our future course of action. These strategies play a pivotal role in ensuring our long-term growth and sustainability.

Customer-centricity, execution excellence and fiscal prudence form critical pillars of our business strategy. With a clear understanding of our target segment, the modern, upwardly mobile Indian high income demographic, we design to meet the aspirations of these consumers. We constantly innovate to fulfill their implicit requirements by exploring new themes, materials and also employ top rated Indian and International architects. Customer-centricity provides us a framework to align our customer offerings with our long-term business objectives. An unwavering focus on attaining excellence in execution allows us to create signature properties that cater to the tastes of our discerning customers. These, in turn, ensure our strong branding that helps in faster monetization of our projects and fosters goodwill. Fiscal prudence governs us in pursuing profitable value creation while taking measured risks coupled with adequate mitigation measures.

Business strategies together with an unwavering focus on our vision have helped us deliver strong business results even in most difficult times. With a longstanding legacy of 142 years and a clear understanding that real estate is a long-term play, we continue to be governed by our tested business strategies. Strategies which are smart, sensible and secure!





Message

from the Chairperson

Urvi Piramal

Dear Shareholders,

It is a matter of privilege to present to you the Company's performance for financial year 2011-12. During the year, the deteriorating global economy impacted the real estate sector in India as well. However, even in a hostile environment, Peninsula Land executed its projects in time and launched projects in new cities.

World Economy

The last one year has been tougher than what we expected. The world economy has gone through a very tough time. It clocked an annualized growth of 3.9% in 2011 and the fourth quarter last financial year has been pretty bad.

The debt crisis in Spain, Greece and Italy impacted the stronger countries like Germany, France and UK. Nine Eurozone nations were downgraded by Standard & Poor (S&P).

Over the last few weeks, there have been some positive developments and the financial indicators seem to have stabilized, especially in the US. The US economy has regained some traction but there are concerns about its sustainability. Even as the prospects for recovery have improved a bit, significant risk still remains.

Real GDP growth should pick up gradually during 2012-13. It is forecast to slow to about 3.5% in 2012, from about 3.9% in 2011, and to return to 4% in 2013 as against the 3.6% projected earlier for both years.

Indian Economy

During the year, Indian economy grew at a nine-year low of 6.9% in 2011-12, which can be attributed to external as well as domestic issues. International crude oil prices

have surged and have been consistently over \$100 per barrel for most part of last year. Exports from India to Europe were also affected due to the financial crises in Europe.

During the year, the Inflation has been a major cause of concern and has been on the rise. The Reserve Bank of India did intervene and implemented measures such as increase in interest rates and CRR. Food inflation, after a seasonal decline, rose again. The growth rate of investment in the economy is estimated to have registered a significant decline during the current year.

The Indian economy is estimated to have grown by 6.9% per cent during the financial year 2011-12, after growing at the rate of 8.4% in each of the two preceding years. Agriculture is estimated to grow at 2.5% for 2011-12, a little lower than expected.

The International Monetary Fund (IMF) as well as Asian Development Bank (ADB) has projected only a 6.9% economic growth for India in 2012. This is below the 7% projected in January this year.

India is the only emerging economy for which growth projection has been pared.

Real Estate Sector in India

Over the last one and a half years, though the real estate sector witnessed a gradual consolidation, according to reports by rating agency Fitch: demand for office space is likely to be maintained at 2011 levels. This momentum in demand will basically be driven by the additional hiring momentum by IT/ITeS sector which is the major consumer of office space in India.

Though the real estate sector contributed only 5% of India's overall GDP in 2011-12 as compared to a contribution of 10.6% in FY 2010-11, according to ULI-PricewaterhouseCoopers (PwC) report, India still leads the pack of top real estate investment markets in Asia.

According to industry experts, the real estate sector in India is being recognized as an infrastructure service that is driving the economic growth engine of the country. In fact, foreign direct investment (FDI) in the sector is expected to increase to US\$ 25 billion in the next 10 years, from present US\$ 4 billion, according to a latest industry body report.

Peninsula Land: Way Forward

Peninsula Land has completed and executed 6.4 million sq ft of development in the residential, commercial and retail space till date.

During the year, having completed Mumbai projects, the company spread its wings and launched projects outside Mumbai in new cities like Nasik, Pune, Goa, and Lonavala. With the launch of these projects, the company has undertaken an additional development close to 3 million sq ft in these cities. And the value of these projects will be about ₹1500 crores.

In Goa, Peninsula Land is constructing premium residential development – Ashok Beleza, which is expected to be completed by the end of 2013. Since its launch, this project has received a favourable response from customers.

Ashok Astoria, the residential projects at Nasik has already been launched and part of the project has already been sold. At Lonavala, work has started at Ashok Nirvaan, a second home project which will have modern contemporary villas.

Even as the company is busy breaking ground and launching new projects, acquiring land had been the focus for the last 18-24 months. Over the last two years, the company has strengthened its land bank and acquired land parcels to the tune of ₹1150 crores. During the year, the company acquired properties in Mumbai, Pune and Bengaluru.

With all this, Peninsula Land has embarked on the second phase of growth. And going forward, we will focus on monetizing our land parcels and executing our projects in time that will further strengthen our financial position. The company has a surplus of cash and healthy debt-equity ratio.

Let me thank all of you for the immense support and faith reposed in the company that has helped us to move closer to our goal. I am confident that this continued support will help us sustain our growth.

Yours sincerely

Urvi Piramal

A hand holding a puzzle piece in the foreground, with a large building in the background. The building is a modern skyscraper with a curved facade and a grid-like pattern of windows. The sky is cloudy.

PENINSULA
BUSINESS PARK

PENINSULA
BUSINESS PARK

At Peninsula, we don't follow a widespread trend but create one. In many ways, we have been one of the early transformers of the real estate sector in India

Smart Strategies!

The Law of the Vital Few' serves a decisive insight into segmentation. India, with its diversity as well as vastness of its consumer markets, offers a sea of opportunities for all businesses, including real estate. The rapid economic growth witnessed over the last two decades in India has resulted in an ever expanding pool of achievers. These are discerning customers, with wide exposure to the best of international lifestyles. They expect living with superior design and amenities, conveniences and comforts, at par with the world's best, at their homes in India.

At Peninsula Land, they form the core of our target customers. Getting the segmentation right is our first critical differentiator and the same helps us in playing to our strengths. Our business strategy is created keeping in mind their expectations at every stage of development and delivering accordingly. From land acquisition being in locations suitable for premium developments, design development employing renowned architects and designers, execution by reputed contractors, construction quality control, to having a dedicated handover cell for customer possession and a post-possession customer support setup at our sites.

We leave no stone unturned. We deploy contemporary architecture and spacious designs to deliver a fulfilling living experience.

We believe that a home should be part of a vibrant community that brings opportunities and comforts at the doorstep - for children to play and make friends, for families to meet, bring leisure and entertainment to everyone to unwind and facilities to stay fit. Our endeavor is to provide best in class amenities with play areas, ample open spaces coupled with club houses, coffee shops and recreation centers that creates a sense of belongingness.




We also strive to provide a host of additional services for our customers and give them a wholesome Peninsula Land experience. For instance, Venitas, our interior decor service offers tasteful design and furnishing options to complete the home. Sourced from a wide global network, these products are offered at competitive prices to our customers.


Similarly, Peninsula Facility takes over the responsibility of keeping the customers environs safe, secure and clean. Or for that matter, customers can call on the concierge from the Serviens desk for completing daily chores, booking tickets, making restaurant reservations or planning for vacations. Not to forget, pay the bills and file in the taxes.

At Peninsula Land, we know what our customers want and we ensure that they get it. We approach our business as one that provides lifestyle solutions. Having delivered many landmark projects in Mumbai based on these principles, we have expanded our footprints in western and southern India to deliver the same.

Smartly, focusing on our strengths and accelerating business growth.



We do not getting swayed
by short term movements in
business cycle but maintain
a longer term focus on our
profitability and growth



The image shows a contemporary living room with a white sectional sofa, a black coffee table, and a large window. A hand is shown placing a puzzle piece into a ceiling structure, symbolizing the company's focus on long-term growth and profitability.

Sensible Strategies!

Focusing on our thoughtfully chosen segment of customers, we act like a deft artisan in executing our projects with precision and efficiency. Choice of the locations of our projects is driven by a clear understanding of the pulse of our valued customers. With an increasing number of Indians seeking a second home away from the fast-paced and busy city life, we were prompted to make pioneering entry into the emerging segment of vacation homes. The development work on vacation homes in serene surroundings of three exotic locations namely Alibaug, Lonavala and Goa is progressing.

We distinguish our diverse business offerings with distinct brands. Courtesy our impeccable execution excellence and proven track record, residential customers vouch for brand 'Ashok' and commercial customers aspire for brand 'Peninsula' in our geographies of operations. To ensure flawless execution, we deploy complementing functions in a cohesive and integrated manner. Our land acquisition team scouts for locations that meet our customer needs and also our business guidelines in terms of value creation and development potential. While Concept & Design function undertakes the responsibility of architecture, sourcing and commercial aspects; Project function undertakes the responsibility of quality assurance and timely execution. Sales & Marketing function ensures customer engagement and relationship including sales while Facility Management function takes charge of value-added services as the project approaches possession hand-over stage. A robust Performance Management System motivates each member of cross-functional teams to deliver customer delight every time.



Out three guiding principles for customer centricity are defined by TIE (Trust, Innovation & Engagement). Gaining customer Trust by delivering on our promises, value addition through adoption of Innovation in business practices and design and keeping abreast with our customer's needs, wants and pains through continuous Engagement. These principles are woven into the fabric of our organization. Every employee works in a manner to achieve TIE.

At Peninsula Land, harboring the requisite skill-sets in-house and honing them further is viewed as a sensible business strategy. Setting higher internal benchmarks for ethical conduct, pursuit of excellence and collaborative working helps us enhance our brand equity for external audience. Internally, it inspires our employee pool to engage better and helps us align them with the overall business vision of the organization.

Our customers are at centre of everything we do and we ensure that they remain glad to be associated with Peninsula, today, tomorrow and forever. That's Sensible.

A black and white photograph of a modern, multi-story house with large windows and balconies. In the foreground, there is a swimming pool with a metal ladder. A hand is holding a puzzle piece in the bottom right corner, and another puzzle piece is visible in the bottom left corner, suggesting a larger puzzle. The sky is cloudy.

A lean balance sheet
with manageable debt equity
ratio and easily monetizable
assets continues to be an area
of high priority for us