

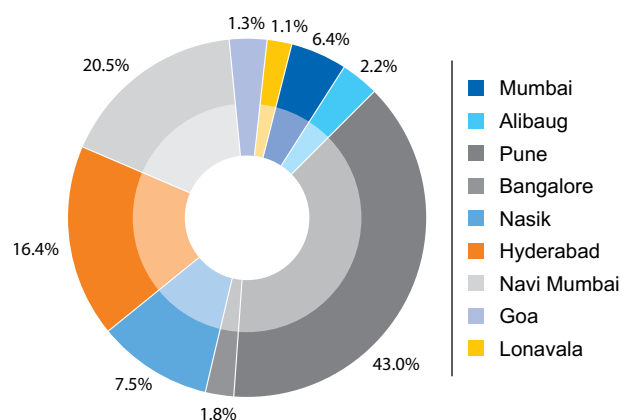
## BUSINESS OVERVIEW

Peninsula Land Limited is a leading Indian real estate developer headquartered at Mumbai and is a part of Ashok Piramal Group, a leading Indian conglomerate having business interests in textiles, engineering, family entertainment, and sports besides real estate.

With many firsts to its credit, the Company has set trends and global benchmarks in the Indian real estate sector – from developing the first shopping mall par international standards, Crossroads to becoming the first listed Company in real estate sector to the first Company to develop the textile mill land at Mumbai to becoming the first Indian Company to offer integrated services to real estate customers including facility management services, concierge services, and home décor services.

Having attained significant foothold in the real estate map of Mumbai, the Company is fast spreading its wings to encompass newer geographies and markets in Western and Southern India. It has strategically planned its footprint expansion to include the commercial cities

Location Wise Saleable Area (%)



of Bengaluru, Hyderabad and Pune, as well as popular vacation destinations like Alibaug, Lonavala and Goa. The Company's product portfolio includes luxury apartments, vacation homes, weekend villas, state-of-the-art commercial complexes, IT Parks and Retail Spaces.

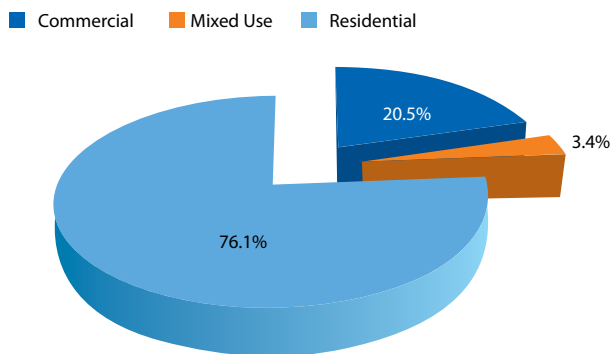
To further leverage on its deep understanding of Indian real estate sector, the Company runs an India focused real estate fund named Peninsula Realty Fund.




## Business Model

The Company has focused on all the three major business segments viz. Residential, Retail and Commercial. In residential segment, the Company has delivered projects measuring about 2 msf till date. It has projects totaling 2.9 msf under various stages of execution besides another 21 msf of saleable area in pipeline across in 6 cities in India.

In commercial segment, the Company has delivered projects measuring 3 msf and possesses another 5.8 msf of saleable area in its pipeline. In retail segment, it has completed two premium malls namely Crossroads and CR2 at Mumbai.

Product Wise Saleable Area (%)



SEGMENT	BRAND	USP	PRODUCTS	LOCATION
Residential	 <b>ASHOK</b>	<ul style="list-style-type: none"> <li>Supreme Living Spaces with world class amenities and facilities</li> <li>Key Locations</li> <li>Renowned architects</li> </ul>	Ashok Towers, Ashok Gardens, Ashok Astoria, Ashok Nirvaan, Ashok Beleza	Mumbai, Nasik, Lonavala, Goa
Commercial	 <b>PENINSULA</b>	<ul style="list-style-type: none"> <li>Pioneer in Next gen/ workspaces/work meets life</li> <li>Work-Life Balance</li> </ul>	Peninsula Corporate Park, Peninsula Business Park and Peninsula Technopark	Mumbai
Retail	 <b>crossroads</b>	<ul style="list-style-type: none"> <li>India's first organized retail mall</li> </ul>	Crossroads - retail mall Cr2	Mumbai



The Company deploys a highly customer-centric approach to its business. Besides quality construction and timely deliveries, transparency in customer dealings and end-to-end offerings has helped the Company generate tremendous goodwill with customers. The Company has made prudent investment in leveraging this goodwill into superior brand preference of its offerings. Deploying a segment specific brand approach, the Company operates its residential business under 'Ashok' brand, commercial business under 'Peninsula' brand and Retail business under 'Crossroads' brand. These vibrant brands not only help the Company with a distinguished identity in an ever crowded real estate market but also enable it to command premium over its peers.

## Business Strategy

Company's success over the recent years and its growth prospects can be attributed to its strategic superiority and focus. Its lineage of Ashok Piramal Group has helped create a new benchmark of corporate practices and ethos in the real estate sector in India. Freshness in its approach to business that balances current deliverables with long term sustained value creation has helped it deliver remarkable results even in the times of recessionary headwinds. It deploys a pool of qualified and proven professional from the field of real estate development. Company's business strategy proves to be a critical

differentiator. The pillars of its strategic superiority include:

- Liquid Assets: While acquiring premium land bank, Company selectively pursues only those options that can be monetised quickly at an assured premium and realised at a faster pace.
- Diversified Portfolio: In order to de-risk itself from cyclical, segment-specific or city-specific slowdown, the Company maintains a diversified portfolio of residential, commercial and retail projects. In order to further lower its risk profile, it is fast spreading its project base in non-Mumbai locations which include metro, tier I and tier II cities. The strong business vertical of vacation homes adds further diversity to Company's offerings.
- Vibrant bouquet of Brands: Company's segment-specific brands rest on strong foundations of its track record, strong heritage, choice of globally renowned architects and associates, and a higher level of customer satisfaction and referrals.
- Lean Balance Sheet: Maintaining debt equity ratio to a manageable level continues to be an area of high priority for Peninsula Land. The Company's approach to execute its projects – from land acquisition to final delivery–enables to minimize any long term



blocking of capital. It leverages the prime locations of its projects together with its brand preference in realizing substantial part of the project cost through pre-selling. Company continues to maintain a low leverage ratio with strong focus on cash generation.

- **Integrated Services:** Company's extended scope of services like facility management, concierge services and interior designing enables a longer term engagement with customers, creating revenue opportunities and future growth through value added services. It also helps in enhancing the experiential aspect of the brand for the customer.

The hallmark of Company's strategies has been its ability to identify premium liquid land parcels at an inexpensive price. Land for development of Crossroads was one of the pride possessions, which has further strengthened Company's belief in carrying forward with the similar vision. In line with it, during the year the Company acquired a premium land parcel in Bishop Gates, a property located in one of the most prime locations in South Mumbai.

## Projects

Over the last fifteen years, the Company has developed cumulatively over 6.4 mn sq ft landmark properties across all three segments in the financial capital of India, Mumbai, as listed below:

### Past Projects

PROJECTS	LOCATION	TYPE
Crossroads	Mumbai	Retail
Peninsula Corporate Park	Mumbai	Commercial
Palm Beach	Mumbai	Residential
Kanjur Marg	Mumbai	Low income housing project
Peninsula Centre	Mumbai	Commercial
Bayside Mall	Mumbai	Retail
CR2	Mumbai	Retail
Center Point	Mumbai	Commercial
Ashok Towers	Mumbai	Residential

### Projects completed in FY 12

PROJECTS	LOCATION	TYPE
Ashok Gardens	Mumbai	Residential
Peninsula Business Park	Mumbai	Commercial
Peninsula Technopark	Mumbai	Commercial

### Projects currently under Execution

Listed below are the projects which are currently under execution, aggregating to approx. 2.9 mn sq ft of saleable area:

PROJECTS	LOCATION	TYPE
Ashok Astoria	Nasik	Residential
Ashok Beleza	Goa	Residential
Ashok Nirvaan	Lonavala	Residential
Ashok Grande	Hinjewadi	Residential

### Future Projects

Following table gives the snapshot of the project that the Company plans to start over the next few years, aggregating close to 27 mn sq ft of saleable area:

LOCATION	TYPE
Napeansea Road - Mumbai	Residential
Carmichael Road -Mumbai	Residential
Bhulabaidesai Road - Mumbai	Residential
Central Mumbai	Residential
Central Mumbai	Residential
Alibaug Samira - Sogaon	Residential
Pune	Mixed Use
Pune	Residential
Bangalore	Residential
Nasik - Gangapur Road	Group Housing
Hyderabad - Mehadiptnam	Residential
Hyderabad - Patancheru	Residential
Navi Mumbai - Ghansoli	Commercial

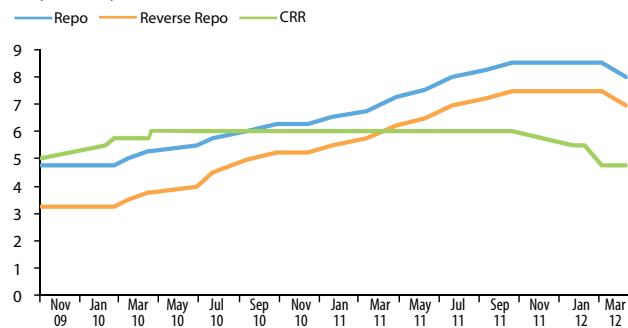
### Outlook

The real estate sector has stepped into the new financial year on an optimistic note. The RBI has made the first move towards softening the interest regime, by slashing



the repo rates by 50 bps in April, after a 75 bps cut in CRR in the previous month. This has paved way towards a softer interest regime in months ahead.

#### Key Policy Rates



Source: <http://dbie.rbi.org.in/DBIE/dbie.rbi?site=home>

While the demand is expected to improve gradually, the Company believes that Indian story like its people is pretty young with enormous potential. Over the medium term the Company is optimistic on the demand outlook. Through years of hard work, meticulous planning and

high customer satisfaction at every stage, the Company has created a strong brand in each of its business segment. Going forward, the Company plans to leverage upon these brands to create a new pool of satisfied customer base in cities outside Mumbai as well.

Over the last few years, the Company has made significant investments in acquiring land assets in South and West India. Driven by strong service led growth, the real estate demand in South India is relatively stable. Sensing the growing demand of vacation home, the Company has launched projects in Goa, Nasik, Lonavala, Hinjewadi. The Company plans to launch residential projects in other cities as well like Mumbai, Alibaug, Pune, Nasik, Bengaluru and Hyderabad which would help Company to achieve higher sales revenues and profits in years ahead

## Risk & Concerns

The Company deploys a robust risk management framework and keeps reviewing and updating this framework from time to time. The framework facilitates risk assessment and mitigation procedure, lays down reporting procedure and enables timely reviews by the management. Company's key risk areas are similar to other players in the business of real estate development. These include:

**Economic Risk:** Any adverse change in macroeconomic environment – interest rate, GDP Growth, employment, purchasing power, inflation, et al – may adversely impact Company's business prospects.

**Mitigation Measures:** Company strategies to maintain a low debt equity ratio, liquid land bank, strong brand premium and focus on fast growing established markets in order to not only minimise the impact in adverse economic environment but also maximise in promising times.

**Execution Risk:** Any drop in project quality, delay in completion, rise in input cost, difficulty in accessing funds etc. may adversely impact Company's business.

**Mitigation Measures:** The Company puts emphasis on comprehensive project planning and management covering the issues of quality, cost and delivery. It deploys a well-defined standard operating procedure – from project planning to delivery – and adheres to internal checks and balances with regard to every project.

**Land Acquisition Risk:** Ambiguity in title or underdeveloped nature of acquired land may adversely impact Company's business by causing delays or increasing the cost of development.

**Mitigation Measures:** The Company undertakes meticulous due diligence and multi layered verification of title ownership. It deploys its pool of competent counsels. It also undertakes physical verification of the land to be acquired for ascertaining the development status.

**Credit Risk:** Customers' inability to make timely payments in line with their contractual or pre-agreed obligations

may unsettle Company's projected cash flow. The same can adversely impact its project completion timeframe.

**Mitigation Measures:** The Company has clearly defined booking and construction linked plans where the money is collected in advance of each stage and hence the credit risk is minimized.

**Input cost Risk:** Most of the projects are usually sold on "no price escalation" basis, leaving the adverse impact of rise in input cost to be borne by the Company.

**Mitigation Measures:** Peninsula Land takes this risk into account at the time of launch, and usually sells the projects it offers, in a phased manner. The phases launched later cover the rise in cost of construction due to higher ticket size.

## Internal Control Systems

Peninsula Land has always understood the importance of internal control systems, since they are critical to the Company's growth and expansion plans. The Company has a well defined organizational structure, documented guidelines on its policy, structured and definite authority matrix. These ensure efficiency of operations, compliance with internal policies and applicable regulations in markets in which the Company has got presence.



The Company already has got a professionally managed internal team in place, which carries out the internal audits from time to time. The team reviews the practices carried out by Company in following various regulations and while executing projects. It suggests benchmark policies followed in the sector, to upgrade the methods followed by Company.

The Company has also extended its technical expertise which it built up in Mumbai projects, for designing and execution of new projects to other cities and towns, to prop up the cost efficiency and ensure timely delivery of projects. This is likely to boost the outlook and help building the Company's brand across southern and western parts of country.

## Human Resource

The talent, commitment and enthusiasm of our people provide the winning combination behind the Company's unbroken record of growth. Whatever the scope of project Peninsula Land undertakes, its location or its complexity,

it will involve the team members exercising individuality, flair and a commitment to achieving success. The Company has employee appraisal schemes in place that facilitate the review of employees' performance with their managers and which seek to identify training and development needs and opportunities.

The management understands that motivated and appropriately qualified employees are key to the success of its business. The human resource policy ensures that the Company provides a safe, professional and stable working environment, that all employees are afforded equal opportunities. The Company aims to become a preferred employer and employ best-in-class talent. To facilitate the same, it has a well drawn recruitment policy and a performance-based compensation policy including an 'Employee Stock Option Plan', which enables the employees to develop a sense of ownership with the organization.

As on 31st March 2012, Peninsula Land had 360 employees on its payrolls.

