

# Impressions

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Quarterly newsletter

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## THE ONLY NOTIFIED ENGINEERING SEZ IN NORTHERN INDIA

### FIRST ENGINEERING SEZ OF NORTHERN INDIA- LOCATION & SIZE

Our Special Economic Zone for Engineering is the first SEZ to get notification in Northern India. This SEZ would enjoy all the benefits of an SEZ under Govt. SEZ Policy and therefore would be the first choice of the Engineering Companies in times to come. This SEZ is spread over 257.5 acres approx. (103 hectares) at a most premium location in Gurgaon adjoining Manesar and very near to International Airport and proposed Western Freight Corridor and 135 Km long KMP Global Corridor which is under construction and connects four industrial centres in Haryana. Thus, a strategic location close to the capital of India. It is also in proximity to an Inland Container Terminal ICD Harsaru which supports a rail link and provides rail connectivity that is being developed to augment the increasing logistic requirement. This SEZ will provide best in class facilities and infrastructure for the industrial engineering industries.

### SHARE IN TOTAL AND MANUFACTURED EXPORTS

Engineering sector in India is the backbone of Economy and an integral part of the manufacturing activity. Indian Engineering Industry is estimated at more than Rs 1,20,000 crores and has been growing at a CAGR of 11% since 2001. The engineering export in India crossed Rs.81,000 crores in the year 2005-06 which accounts for 23% of the total export from India. Engineering product exports are estimated to grow to about Rs.1,12,340 crores by 2009-10.

Indian Engineering process outsourcing market is currently at 14,350 crores and has been growing at 37% CAGR between 2003-2006. The total worldwide market for outsourced engineering services is approx. Rs 2,87,000 crore and is growing @ 12% with engineering expertise in India. The share of Indian Engineering process outsourcing is poised to grow rapidly.

### AREA, SPECIFICATIONS INFRASTRUCTURE

The total usable area will be approx. 21 million sq.ft. Out of the total area of 103 hectares, 50% of total area will be processing zone and balance 50% area will be residential, commercial, institutional, educational etc. as per the master plan. There will be an envisaged 9.68 million sq ft industrial which will further be segmented into areas for complexes for engineering exporters and industrial sheds for heavy engineering units. Besides economic advantages of conducting business in SEZ, the project will provide world class residential and other supporting facilities. Thus, triggering the corporate shift from Delhi / NCR to Manesar enabling "walk to work" culture. This culture implied that corporates could now co-locate their offices and residential places in order to save time in commuting.

### ECONOMIC RATIONALE

This SEZ project will involve an investment of Rs.4535 Crores



approximately. This SEZ will be launched in phases and the first phase is expected to get completed within 3 years and being an Engineering SEZ, it would cater to all the international and national Engineering Companies. Investors and well-reputed business houses from across the globe have expressed keen interest in associating themselves as co-developers and investors in the SEZ. This SEZ will be funded with the mix of equity, debt and internal accruals. Our negotiations are currently on with both Indian engineering manufacturers as well as overseas engineering companies interested in off-shoring global production. Our company has also been approached by reputed international construction companies who have further expressed interest for strategic alliance. Revenue for the SEZ is estimated to cross Rs 50,000 crores in the coming years. There is a substantial fiscal benefits for the exporters operating from SEZ. These are :



### DIRECT TAX

- For SEZ Units
- 15 year tax holiday (in a phased manner) to units operating in SEZ and earning export profits.
- Exemption from levy of minimum alternate tax @ 11.33% (on book profits)

### INDIRECT TAX

- Exemption from customs duty
- Exemption from excise duty
- Exemption from service tax; exemption on exports made by unit need to meet criteria of 'Export of Service Rules'
- Central sales tax exemption on sale/purchase of goods for authorised operations other than newspapers, where such sale takes place in the course of interstate trade or commerce
- Drawback of duties paid on goods/ services bought from outside SEZ area

### BENEFITS- EXPORTS, EMPLOYMENT AND VALUE ADDITION

Our Engineering SEZ is set to induce dynamism in the engineering export performance of the country by eliminating distortions resulting from tariffs and other trade barriers, the corporate tax system, excessive bureaucracy, and missing infrastructure.



**NAVIN M. RAHEJA**  
Managing Director

Over the last 3 years Indian Real Estate market has seen unprecedented speculation and price increase in all the segments. So much so the investors and speculators drove on the market to a level where the price lines crossed affordability. This led to a severe stagnation which started showing its symptoms since last 8 to 10 months. These speculators who could afford early 2-3 installments started facing the situation of losing even the earnest money and a consequent reverse spiral has brought down the pricing considerably. Housings are constructed for the use of people to live therein, a person can buy a house only if he can afford to pay for it.

Everyday there are news giving divergent views on whether the real estate prices will come down further, I would like to analyse and put forth my viewpoint on the same. In Gurgaon market today, there is hardly anything which is available under the Old Masterplan areas where

## Words of the Managing Director

### Is it the right time to buy a house ??

infrastructure is in place, prices here therefore are driven by current demand and supply. Under the New Masterplan areas infrastructure is yet to be developed and will definitely take more than 2 years however, the developers are starting construction of their projects simultaneously with the infrastructural development and hopefully the things will get integrated by the time projects are ready for possession.

Whether Current Pricing is sustainable ?

Coming on the present scenario of the market when the price of developable land has already gone between 3-6 crores/acre depending upon the location, a developer may have to spend more than Rs.1 Crore/acre on sanctions and Internal Development Works apart from appx. Rs.2 Crores (including interest) towards External and Infrastructural Development charges/acre. Thus, the cost of FSI for land purchased at Rs.3 crore/acre will work out to appx. Rs.700/- per sq.ft. while for lands priced at Rs.6 Crores/acre, the cost of FSI may work beyond Rs.1100/- per sq.ft. The cost of construction of multistoried apartments at current input prices, works out to be over Rs.1200/per sq.ft for quality multi storied apartments.

Real Estate projects are capital intensive and the developer has to invest heavily towards land and sanctions before starting the booking. Thus, the cost of construction of a group housing project when the land is purchased @ Rs.3 crores per acre works to:

Cost of FSI = Rs.700/- per sq ft appx.

Cost of construction of a multistoried apartment = Rs.1200/- per sq.ft appx.  
Cost of operating, selling and administration expenses @ 15% of the cost of the project = Rs.285/- per sq ft appx.

Cost of funds presuming 25% of the project cost is on outsourced investment @ 15% p.a. = Rs.325/- per sq ft appx.

Thus, the total cost of an apartment comes to = Rs.2510/- per sq.ft appx.

My assessment is quite clear on the issue. There is no scope for any developer to sell below cost and therefore, the current pricing offered by the developers are the lowest possible. If a developer sells below these prices he may be doing so with an extreme degree of risk or a substandard construction. Therefore, it is the time to buy a house provided one gets project from a reliable developer under construction linked payment plan.

## BHOOMI PUJAN OF BLOCK -A OF "RAHEJA EXPOMALL", AT PANIPAT, HARYANA

BHOOMI PUJAN of Block A of "RAHEJA EXPO-MALL" was performed at Panipat on April 02, 2008. This marks the beginning of construction of fully equipped commercial complex that integrates world-class infrastructure with the peaceful ambience of a modern town.

Raheja Expo-Mall is most strategically located Mall of Northern India on the main

G.T.Road (NH-1) in the heart of Panipat. The Government of Haryana has recently announced development of a new city in NCR at Samalkha extension of Panipat, therefore, Panipat will get transformed into a new and Modern Mega City. Anybody commuting to Northern India by road cannot escape the exuberance of this international class Mall, Commercial cum office complex in the heart of Panipat opposite Hotel Gold.

Over 100 feet tall, Raheja's Expo-Mall is going to be the tallest building of Panipat in near future. It has two blocks namely, Block A and Block C out of which the structural work of Block C is complete and soon the interiors and finishes will also be completed. It may even overlook and be seen across the entire Panipat City!!

With an area of over 3 lakh Sq. feet Raheja Expo-Mall will cater to integrated organized platform for wholesale and retail marketing of its industrial production as well as the day to day general merchandise of the entire Panipat city and Northern Indian commuters by way of super stores, brand outlets and hyper markets. The reputed brands in clothing, shoes, restaurants, eateries, accessories, electronics and IT will be visible on this strategic location.

In order to promote the local exports, the complex will have office space, exhibition centres, conference facilities and information platform aimed at servicing international buyers with active help and co-ordination with the Ministry of Textiles, Govt. of India. The company is also planning to put up a Multiplex/Multi-halls as well as a roof-top open air Food court-cum-Amphitheatre offering drinks and the finest of cuisine with live bands and stage shows caressing your senses.





## Building Sanction plans approved, Bhoomi Poojan of Raheja Vedaanta & Raheja Navodaya done The start of a new era in Gurgaon housing

27 March'2008 will go down in the history of Gurgaon housings as a day which heralded a new era. It was on this day that the management of the country's leading real estate player, Raheja Developers, performed Bhoomi Poojan at Raheja Vedaanta (Sector-108, Gurgaon) & Raheja Navodaya (Sector-92, Gurgaon). These are the first two Bhoomi Poojan's under the



Bhoomi Poojan of Navodaya

new Gurgaon master plan & are significant from the futuristic point of view of Gurgaon housings. Both these projects have received tremendous response from the market (Vedaanta is already 95% sold out & Navodaya is 70% sold out), not only in terms of numbers of units sold, but also in terms of the price appreciation that both these projects have provided their owners. Vedaanta has already appreciated by 25% in 7 months since its launch while Navodaya has appreciated by 10% in 5 months since it was launched.

The approved building sanction plans of both Vedaanta & Navodaya have already been received & construction of both these projects will commence shortly. For Vedaanta the agreements for signatures have already been dispatched and the allotment will be starting from April 12,



Bhoomi Poojan of Vedaanta

2008. With the receipt of Sanction Plans, banks have also started disbursing the loan for the projects. The construction of sample apartment for both these projects too will start shortly. Once Vedaanta is complete in all the above mentioned respects, the same exercise will be done for Navodaya very soon.

### Raheja Atlantis, Gurgaon:

Possession for fitouts Commenced :

Four towers of Atlantis are now ready for possession & by end' April the owners of the apartments shall be moving in to live in their dream homes & enjoy the quality of life which they shall feel proud of. The quality provided in Raheja Atlantis is testimony to the emphasis which the company has always laid on providing the quality product to our clients. In fact, at Raheja Atlantis we have provided many such facilities which were not committed to the customers at the first instance. It is our endeavor to always provide our customers with excellent value for money.



### STATUS:

- Entrance canopy to individual tower work 90% completed.
- Health Club and other Indoor Games area, work is in full swing.

- Elevator work in Tower C, D, E & F completed and running well. Lift operators deployed to run the same.
- Main electricity connection work from Haryana Bijli Vitran Nigam is in progress.
- LPG Bullet Installation, Internal Piping and Ring Main completed.
- D. G. / L. T. Panel Installation completed.
- Sewage Treatment Plant Installation work is in progress.
- Swimming pool plant room work is in progress.
- Landscaping, Horticulture work are on full swing.
- Road Work 70% completed.
- Internal / External Painting and Polishing work are in full swing
- Installation and fixing of imported modular kitchen completed.
- Garbage chute installation 90% completed.
- Aluminum Louver covering Plumbing and Electrical Shaft are in full swing.
- Occupancy Certificate applied and expecting very soon.
- Handing over the flats very shortly.

### Raheja Mall Sohna Road, Gurgaon:

#### Present Status:

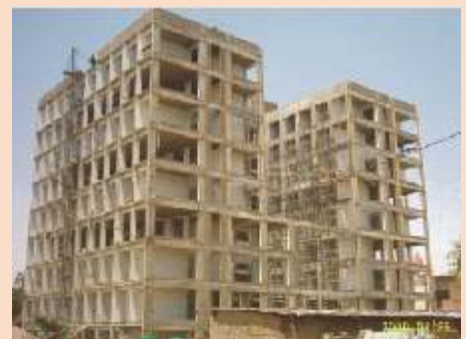
- RCC Structure work is in full pace.
- RCC Structure work has reached/ completed upto different levels i.e. Upper Ground Floor & III Floor Block wise.
- Brick work in full swing.
- MEP Services i.e. Electrical, Firefighting, Plumbing & Escalators / Elevators work already awarded and Contractors are being mobilized and commencing their related activities.
- Sampling of finishing work scheduled.

#### Raheja Expo - Panipat:

#### Present Status:



- Excavation work of Block A commenced and work is in progress.
- RCC Structure 98% completed.
- Brick work and plaster 90% completed.
- Sampling of finishing work scheduled.
- Stone Work & Stair Case Railing are in progress.



- MEP Services i.e. Electrical, Firefighting, Plumbing & Escalators / Elevators work already awarded and Contractors are being mobilized and commencing their related activities.
- External facade tendering work is in progress, work will commence very shortly.

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# RAHEJA DEVELOPERS PVT. LTD.

## BEGINNING OF "GRAHPRAVESH" IN ATLANTIS

Mrs. & Mr. Santosh Tripathi was among the first ones who have conducted Grahpravesh of their flat in ATLANTIS.



"Havan By Mrs. & Mr. Tripathi"

Inspired by him there are lots many who have now begun following the same auspicious approach for taking possession. In his own words:

"Raheja Atlantis is superb. It is centrally located in Gurgaon. All Key places are within 6km radius. Atlantis is directly connected to Delhi – Gurgaon Express high way. It is a condominium, which is having all modern amenities, just name anything, you will get it. Owning a flat in Atlantis is really a matter of great proud. Atlantis flats are valued for money you pay. Landscaping is wonderful. All the flats are well designed to have cross ventilation. Probably staying in Atlantis

flats will give all the comforts we need, and may be we will feel staying in our own bungalow. I personally believe that I would not have et a better quality residential apartments in Gurgaon than this. This was my first investment in real Estate. Surprisingly, we took only 18 hrs to book my Atlantis flat. Even today, after two years, we do not see anything adverse or missing in Atlantis flats. During my entire dealing with the Company I was well attended to with a personal touch."

- Santosh Tripathi  
- Geeta Tripathi

## EMPLOYEE OF THE QUARTER



Dimple Bhardwaj  
(Manager- PR and Cust. Relations)

She is heading Public Relations. Highly opinionated and aggressive, she has been successful in building the brand recognition of the company in various Newspapers, Magazines, Television and the Internet. She is confident, hardworking, takes full ownership of her responsibilities and thus, manages to complete the assigned task completed successfully. She is dedicated and sincere towards her work. Not only has she strengthened the media relations but has been instrumental in ensuing the sales picking up momentum in each new project which has been launched recently. She is indeed an asset for the organisation.

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### Raheja Navodaya:

#### Present Status:

- Building plan sanctioned.
- Bhoomi Poojan completed.
- Boundary Wall work awarded, work is in progress.
- Tendering of excavation work is in progress.

### Raheja Vedaanta:

#### Present Status:

- Building plan sanctioned.
- Bhoomi Poojan completed.
- Boundary Wall work awarded, work is in progress.

### Raheja Atharva:

#### Present Status:

- Building plan sanctioned.
- Boundary wall work awarded.

## AMITY CORPORATE EXCELLENCE AWARD 2008

With great pride and honor, we wish to inform you that Mr. Navin M. Raheja, our Managing Director has been awarded the most prestigious award the "Amity Corporate Excellence Award" by Amity International Business School during their Tenth International Conference – INBUSH (International Business Horizon) 2008 an unique and internationally acclaimed event.

This award is presented to accord special honor to organizations and corporate leaders, who have excelled in their respective domains and have outshined other companies because of their distinct vision, innovation, competitiveness and

sustenance. The award ceremony was held at Amity International Business School, Noida.



## Be-Aware!!

Do you know booking a house under time linked payment plan can ruin your investments and your full career. It could put you to jeopardy where you cannot do anything. In a time linked plan, a developer has every right to collect the installments in the stipulated time even without constructing anything on the ground. Whereas if you opt for construction linked plan you pay according to the progress of construction and you get benefitted from this payment structure as the payments are spread over the construction period, during which time the value of the property will probably have increased as completion draws nearer, giving you a net capital gain.

The average cost of your funds comes to appx. 12% per annum under a housing loan and presuming that you booked the flat at certain rate for a delivery date of 3 years from the date of booking. Now, if at all the developer is not being able to complete the project in time and he pays

you the delay penalty compensation than also you will be bearing heavy losses because the amount paid as the compensation does not even come to 20% of the cost actually been spent by the customer. And for instance if the project gets delayed for next 3 years, the client may land up paying over 50% of more than the planned investment as he will be paying the interest for these many years to the bank. His actual EMI i.e. the repayment will not start till he gets the possession and consequently EMI may get increased by over 50%. Also, the tax benefit which he would have got after the end of 3 years too gets altered. Thus, it is always advisable and beneficial to opt for a construction linked payment schedule and not time linked payment schedule. RAHEJA DEVELOPERS PERHAPS IS THE ONLY DEVELOPER WHO WORKS ON CONSTRUCTION LINKED PAYMENT PLAN.

**U Are Lucky!!!!**

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