

HIGHLIGHTS FOR APRIL 2007

BENGAL SHRACHI HOUSING DEVELOPMENT LIMITED

DIRECT NEWS

Corporate Profiling - Bengal Shrachi Housing Development limited

- Coverage has appeared in The Hindu Business Line
- Coverage has appeared in The Telegraph
- Coverage has appeared in The Times of India
- Coverage has appeared in Realty Plus

Launch of Rosedale Garden Complex show-flats

- Story was aired on NDTV [Hot Property]
- Story was aired on Zee Business [Property Plus]
- Story was aired on CNBC - Awaz [Prime Property]

SNAPSHOTS

- ***Pallonji mass housing project set for a launch*** - S P Shukhobrishti, claimed to be India's largest mass housing project, meant for the lower and middle-income groups of society, developed by Shapoorji Pallonji, is up for sale. Rs 1500 crore project will have 20,000 dwelling units in the form of 12,000 one- BHK flats and 8,000 two - BHK flats. Most of the flats have been designed to have balconies overlooking open green spaces. The complex would have a central water body and jogging tracks and have a ventilation design to catch the southern breezes.
- ***Siliguri to get Rs 200-cr City Center*** - Bengal Ambuja is investing Rs 200 cr to build a mall hotel in Siliguri, in the name of City Centre. Siliguri mall hotel would house 4 - levels of mall, one level of multiplex, hotel and banquets, and 2 levels of hotels. Siliguri's City Centre is expected to be 1.5-time bigger than City Centre II, coming up in Rajarhat. Bengal Ambuja is also planning a similar mall- hotel City

Centre in Haldia at an estimated investment of Rs 150 crore which would be spread over 5 acre.

- ***Merlin Group plans malls outside state*** - City - based real estate developer Merlin Group is planning to expand its commercial footprint beyond West Bengal. The group is scouting for prime properties in Jaipur, Ahemdabad and Raipur to undertake development of integrated commercial malls independently or in partnership. The group unveiled the specialty mall 'Homeland' offering some 1,00,000 sq ft of retail space.
- ***India property show in US*** - The 3rd annual India property show in USA will be held from June 16 to 24, 2007 in California, Texas and Edison. Organized by Chennai - based Priya Publications, publishers of real estate magazines, the fair displayed a range of residential and commercial projects under development across the country. Property developers from cities like Ahemdabad, Kochi, Kolkata, Mumbai, Bangalore, Chennai, Coimbatore, Delhi will showcase investment opportunities ranging from apartments, duplex, villas to office space.
- ***Home loans for urban poor at 5%*** - The ministry of housing and poverty alleviation has proposed that the urban poor be given home loans at around 5% interest against the prevailing 11.5 - 12%. Other steps the ministry is exploring for the urban poor are: encouraging big companies to build houses for their employees, reserving 15-25% of land, revamping master plans to provide inclusive zoning, using the floor - space index as a resource, co-operative housing.
- ***Realty rights for the urban poor*** - The urban poor in India will now be able to choose where to live and have the opportunity to invest in real estate. The ministry of housing and poverty alleviation has proposed to give them the Transferable Development Right, which means that now, a person belonging to the economically weaker section will have the opportunity to trade the flat/ apartment that he buys in a posh area for 2-3 totaling up to the same price on the outskirts of a city.
- ***Investors lose interest in Rajarhat*** - The focus on Rajarhat in the eastern fringes of the city appears to be on the wane among national and international investors.

This is mainly due to the fact that fairly large tracts of land there aren't just available and whatever can be purchased are priced so exorbitantly high that most prospective investors are put off. But real estate circles aren't all that convinced. They feel that many companies may also pull out of the area if their expectations aren't largely met.

- ***Spencer's first hyper store in Bengal comes up at Durgapur*** - RPG Group has opened the first hyper store of Spencer's in West Bengal, which has come up at Durgapur. The store will be spread across 16,000 sq ft at Durgapur City Centre.
- ***Infrastructure worries shatter Rajarhat hopes*** - Dismal city infrastructure in and around Rajarhat appears to have taken a toll on the area's planned new-gen residential and commercial developments. Realty sources associated with projects in and around Rajarhat claims that sales of apartments and office space over the past few months have slowed down. Apart from lack of infrastructure development, shortage of manpower, including good contractors is also affecting the construction.

COMPETITORS IN NEWS

DLF LIMITED

- ***DLF's Chennai IT Park goes operational*** - DLF marked its entry into the Chennai market with the inauguration of its first IT SEZ. The DLF IT Park at Chennai went operational with 4.10 lakh sq ft of space. The 41 acre facility will have 6.6 million sq of built - up space distributed over 11 blocks with space for 60,000 - 70,000 people to work. Over 1.5 million sq ft space has been committed with 7-8 large IT companies taking up space. The company is looking at more projects in Chennai in the commercial, retail and residential segment.

SHAPOORJI PALLONJI

- ***Pallonji mass housing project set for a launch*** - S P Shukhobrishti, claimed to be India's largest mass housing project, meant for the lower and middle-income groups of society, developed by **Shapoorji Pallonji**, is up for sale. An Rs 1500 crore project will have 20,000 dwelling units in the form of 12,000 one- BHK flats and 8,000 two - BHK flats. Most of the flats have been designed to have balconies overlooking open green spaces. The complex would have a central water body and jogging tracks and have a ventilation design to catch the southern breezes.

OMAXE LTD.

- ***One - stop shop is the way for malls now*** - With the objective of differentiating themselves from the intense competition, mall developers are setting up malls that offer products and services catering to specific needs. Omaxe Ltd is setting up 'Wedding Malls' that will offer mehendi and teeka artists, pundits to solemnize the nuptial ties and halls where parties can be hosted.
- ***Environment ministry clears three Omaxe projects-*** **Omaxe**, real estate development and construction company, has got the environment clearance certification for its upcoming group housing project- The Nile at Sector 49, Gurgaon, and for two specialty malls Wedding mall at Sector 48, Gurgaon, and House 2, Home Mall at Sector 49, Gurgaon.

PARSVNATH DEVELOPERS

- ***Parsvnath bags Delhi Metro project*** - Parsvnath Developers has bagged a new project from Delhi Metro Rail Corporation to develop a shopping mall and metro station at Commonwealth Games Village complex. The project would cost around Rs 160 crore.

BENGAL AMBUJA

- ***Bengal Ambuja*** - In an attempt to help consumers, decide on real estate investments, Bengal Ambuja recently launched a series of guidebooks that tries to answer all FAQs while making an investment in real estate.

- ***Siliguri to get Rs 200-cr City Center*** - Bengal Ambuja is investing Rs 200 cr to build a mall hotel in Siliguri, in the name of City Centre. Siliguri mall hotel would house 4 - levels of mall, one level of multiplex, hotel and banquets, and 2 levels of hotels. Siliguri's City Centre is expected to be 1.5-time bigger than City Centre II, coming up in Rajarhat. Bengal Ambuja is also planning a similar mall- hotel City Centre in Haldia at an estimated investment of Rs 150 crore which would be spread over 5 acre.
- ***Ambuja Realty investing Rs 2,900 cr*** - In a bid to have a national footprint, Ambuja Realty Development Ltd is planning to invest nearly Rs 2,900 cr in real estate projects in Punjab, Maharashtra and Chattisgarh. The company expects to commence construction work on these projects by the end of the year.

P S GROUP

- ***Real estate group comes up with driving lessons for poor*** - P S group has taken up the initiative to train drivers from the underprivileged section, a step towards making them financially independent. The purpose of the project, apart from road safety is to rehabilitate at least 1,200 deprived people, including women.

PURAVANKARA PROJECTS LTD

- ***Puravankara plans developing high - end housing complex in Colombo*** - Puravankara Projects Ltd, the Bangalore based real estate developer, will soon launch a high - end residential project in Colombo. The project will have 200 villas coming up on a 24 - acre property on the outskirts of the Sri Lankan Capital. The company is also in talks with potential hospitality partners for four large luxury hotel projects in Kochi. The Company has plans for seven other projects in Chennai.

RMZ CORPORATION

- ***RMZ, AIG Global in pact for realty, hospitality projects*** - Real estate developer RMZ Corp and AIG Global Real Estate have entered into an equal joint venture to develop commercial /office space and to evaluate hospitality development projects throughout the country. RMZ plans to expand operation in Mysore, Mangalore, Coimbatore, Kochi and Nagpur. The company which has developed over 10 millionsq ft in 5 years plans to set up 3 joint ventures - one each for retail, residential and hospitality and office spaces.

HIRANANDANI REALTORS PVT LTD

- ***Hiranandanis to launch first project in Chennai*** - Hirco PLC, an LSE - listed real estate investment company, promoted by the Mumbai - based Hiranandanis plans to start the first of its projects in India with an integrated township and IT/ITES special economic zone near Chennai. Hirco PLC has acquired about 640 acres to the south west of Chennai. The township - Chennai Palace Gardens - with a built - up space of 19.1 million sq ft, 90% of which will be residential and the balance earmarked for retail will be spread over 250 acres.

INDIABULLS REAL ESTATE LTD.

- ***Indiabulls Real Estate to get Rs 450 crore from promoters*** - Promoters of the Indiabulls Group will invest Rs 450 crore in Indiabulls Real Estate in one of the largest fund infusions by a promoter in the real estate industry. Promoters will together buy warrants of Indiabulls Real Estate at Rs 300 per share. IREL will build a vast commercial complex comprising two towers of 16 storeys each and two towers of 14 storeys each. The company is also building a SEZ in Raigad district of Maharashtra and a township in Sonapat.

EMAAR MGF

- ***Realtor Emaar MGF entering education sector*** - Real estate player Emaar MGF plans to enter the education sector in a big way by setting up 100 schools and a few higher education institutions. Emaar MGF Education will be the sponsoring body for investments and funds, while the schools will be managed by an

independent charitable trust. The 1st school with a capacity of 1,800 students is expected to come up in the next 2 to 3 years near Rajasthan. It would involve an initial investment of Rs 100 crore.

MERLIN GROUP

- ***Merlin Group plans malls outside state*** - City - based real estate developer Merlin Group is planning to expand its commercial footprint beyond West Bengal. The group is scouting for prime properties in Jaipur, Ahemdabad and Raipur to undertake development of integrated commercial malls independently or in partnership. The group unveiled the specialty mall 'Homeland' offering some 1,00,000 sq ft of retail space.

KHIVRAJ GROUP

- ***Khivraj Group plans another IT park, bags green building award*** - The Khivraj Group, a promoter of Olympia Tech Park, the 1.8 million sq ft IT Park, plans to construct another IT Park and 2 residential projects offering over 3,000 apartments. They were awarded the LEED Gold Rating for the largest Green building in the world. The Rs 400 crore Olympia Tech Park will have a total of about 13,000 people employed. The facility is a joint venture between Eveready Industries, Khivraj Group, and 2 - Kolkata - based developers, Space Group and MK Group.

HINDUSTAN CONSTRUCTION COMPANY

- ***HCC to foray into real estate business*** - Infrastructure major HCC plans to enter the real estate business with an initial investment of Rs 1000 crore. HCC was executing projects worth Rs 2,000 crore.

BENGAL SHELTER HOUSING DEVELOPMENT LIMITED

- ***PVR plans Kolkata foray*** - PVR Cinemas, the cinema chain, has aggressive plans to enter Kolkata. The company is in talks with city - based Bengal Shelter Housing

Development limited to set up a six-screen multiplex in the upcoming Varnaparichay mall in Kolkata.

INDUSTRY NEWS

This month, the focus has been on the Government's initiative to provide an impetus to the low-economy housing sector especially in the Tier II & Tier III towns & cities. Some of the leading real estate players are diversifying into the hospitality & retail sector- specialty malls & budget hotels is the order of the day. We notice that Rajarhat which was in the limelight once upon a time, has received negative reports this month with allegations of exorbitant property prices & poor infrastructure.

India property show in US - The 3rd annual India property show in USA will be held from June 16 to 24, 2007 in California, Texas and Edison. Organized by Chennai - based Priya Publications, publishers of real estate magazines, the fair displayed a range of residential and commercial projects under development across the country. Property developers from cities like Ahmedabad, Kochi, Kolkata, Mumbai, Bangalore, Chennai, Coimbatore, Delhi will showcase investment opportunities ranging from apartments, duplex, villas to office space.

UK real estate firm investing 250 m pound in India - A UK - based property investor plans to invest 250 m pound in the country's booming real estate sector in the next 5 years. Of the total amount 50 m pound would be invested in budget hotel chains all over India. The first budget hotel will be commissioned in Kochi by July this year.

Assam Govt plans satellite townships - The Assam Govt is planning to develop at least three satellite townships around Guwahati, in a bid to decongest the gateway of North - East. The 3 proposed townships would come up in northern, south - western and western sides of the city.

RPG weighs IPO option to fund retail expansion - RPG Enterprises is planning to set - up 20 Spencer's stores, one of the largest supermarket chains, in different formats in Kolkata. The company has earmarked an investment of close to Rs 1,000 crore for

expansion throughout the country. Although majority of the funds would be raised through internal accrual, RPG Enterprises also proposes to raise funds through an IPO for its retail expansion plans.

Home loans for urban poor at 5% - The ministry of housing and poverty alleviation has proposed that the urban poor be given home loans at around 5% interest against the prevailing 11.5 - 12%. Other steps the ministry is exploring for the urban poor are: encouraging big companies to build houses for their employees, reserving 15-25% of land, revamping master plans to provide inclusive zoning, using the floor - space index as a resource, co-operative housing.

Scarce large spaces stump retailers in Kolkata - As mall mania braces the country and promoters struggle to find more of available retail space, many of the organized retailers are scouting for larger properties available in the outskirts of Kolkata as the city faces shortage of available bigger retail space.

Assam tightens building rules to control urban chaos - The real estate boom has engulfed the country in totality and the city of Guwahati is no exception to it. The city has no room to expand and this has led to concentration of all construction work within the city limit. Acknowledging the fact that city builders, most of whom are first generation entrepreneurs, find themselves capital starved to develop satellite townships, the Govt has assured support and help to real estate players if they evince interest in taking up such projects.

Five - star hotel boom reaches Bhubaneswar - The Orissa Govt has received 5 proposals entailing an investment of Rs 300 crore for setting up 4 five - star hotel and one 4-star facility hotel in the capital over the next 2 years. The hotel business currently hovers at Rs 750 - 800 crore and is likely to surge to over Rs 1500 cr in the next 2 years once the 5 - star chains start operations

The taxman knocks on Rajarhat doors - Rajarhat will have to pay more taxes. These are development charge and amenity charge apart from existing land revenue tax. The taxes will come into force as soon as Rajarhat is accorded the new town status by the Kolkata Development Authority.

State firms up 'controlled Rajarhat land use plan - The State Govt is looking at regulated and controlled development in the periphery of Rajarhat and prime locations in South 24 Paraganas where the likes of DLF, Sahara and even Salim Group are keen to acquire large tracts of land. The move is slated to cap indiscriminate use of land for industrial, residential and infrastructure purposes.

Bharti chalks - out 3-tier retail format - In a model that will fundamentally differ from its partner Wal - Mart's, Bharti Retail has finalized a three - tier retail format that will provide customers access to a store 1.5 to 7 km from their homes. Based on customer research, Bharti Retail is planning a small - format convenience store within 1.5 km of the customer home, a mid - level store 2-3 km distant and a hypermarket within a 5-7 km drive.

Realty rights for the urban poor - The urban poor in India will now be able to choose where to live and have the opportunity to invest in real estate. The ministry of housing and poverty alleviation has proposed to give them the Transferable Development Right, which means that now, a person belonging to the economically weaker section will have the opportunity to trade the flat/ apartment that he buys in a posh area for 2-3 totaling up to the same price on the outskirts of a city.

Starwood plans 15 Aloft hotels in India - The Starwood group, owner of the Le Meridien, Sheraton and Westin brands, plans to roll out 15 Aloft hotels in the next 3 to 5 years. Starwood estimates investments of \$192 million at \$80,000 per room in Aloft. This excludes the cost of acquiring land for hotels. The Aloft hotels will have real estate developers as partners. They will come up with hotels in Mumbai, Delhi, Pune, Bangalore and Hyderabad.

Creative space- Architect Dikshu C.Kukreja aims to bend technology with tradition in the mega projects that he undertakes. The firm C.P.Kukreja Associates made its name with path breaking projects likes the JNU campus in New Delhi. More recently he won awards for the 30-acre Pathways World School campus on the outskirts of Delhi. The firm is also doing a Rs 500-crore project in Rajarhat.

Trent, Xander tie up for retail real estate fund - Tata Group promoted Trent has entered into an agreement with private equity firm The Xander Group Inc for an

institutional retail real estate fund in partnership with Indian developers. The arrangement will help Trent in its growth plans in the retail sector. Trent has also agreed to anchor 12 mall set up by DLF Universal Ltd across the country.

Home solutions market, the new frontier for retailers - A specialty format catering to home solutions - furniture, furnishings, and home improvement, is the next distinctive format being explored by retailers to tap the staggering 4.5 million houses built in India each year. The organized home solutions market is growing at around 30% annually. Pegged at Rs 1 lakh crore, the home solutions market is predominantly unorganized.

Biyani to lease out space to RIL, Trent - Kishore Biyani's Future Group, with some 20 million sq ft of prime retail space under its fold, is close to leasing out prime retail space to the likes of Reliance Retail, Trent, Lifestyle and Shopper's Stop. Going forward, the group will add some 15 million sq ft of additional retail space by calendar 2010 and thereby emerge as a mega player in the retail realty space.

Housing quota for poor in SEZs sought - The ministry of housing and poverty alleviation has written to the commerce ministry to bring out legislation to reserve 25-30% of housing units/ 5,000 hectares of land for the economically weaker section and lower income groups in SEZs.

Budget homes mkt to bulge - Low-cost housing, which seems to be gaining popularity, is estimated to gain a market size of Rs 1,00,000 crore on the next few years, while the immediate demand could be around Rs 25,000 crore. Finance minister is already in talks with the ministry of housing and poverty alleviation to launch low cost housing project.

State to build 795-acre township in Howrah - West Bengal Govt is coming up with a 795-acre township project at Domjur in Howrah. The project will be built on a PPP model and tenders will be floated to select a suitable private developer.

50 int'l budget hotel chains to foray into India - The hospitality industry is in for a massive overhaul with over 50 international budget hotel chains to foray into India. The growth in the hospitality industry is pegged at 15% every year. Apart from the overseas interest, other entrants in this field are MS Crimson, Arora Holdings, Hampshire Hotels and Resorts, Parsvnath Developers, Dabur Hotels etc.

First - timers may get home loan rebate - Amidst ever increasing rates for home finance, the ministry for urban housing has floated a proposal to provide loan at a discount for a first time homebuyer in an urban area. The discount will however, be available to families or individuals falling in a specified salary bracket and will be based on affordability - based criteria.

Rajarhat rising: Comfort zone for IT employees - A Rs 200 - crore project is all set to come up in New Town Rajarhat, catering to the working millions in the software hub. Kevin Tan and Stephen Coates of **aCTa International** are the chief architects of the building. It will be developed by **Bengal Park Chamber Housing Development Limited**.

UAE realty firms seek joint ventures in India - Property developers from UAE are looking for joint ventures in the booming Indian real estate market. While Nakheel has entered into a \$20 billion partnership with the DLF Group, Emaar Properties has forged a partnership with the NGF Group. Al Fajer Properties, a top real estate developer in the UAE, is also looking for an opportunity to enter the country.

Real estate price may see corrections - The credit rating agency ICRA believes that the real estate prices might see corrections in some pockets. These pockets are cities, which do not have enough economic activity to support the price boom there. It has highlighted certain challenges before the industry in the form of regulation, transparency and valuation.

Govt needs Rs 3.61 lakh crore to meet urban housing goals - The Govt will require at least Rs 3.61 lakh crore to meet the demand for constructing around 32 million units of urban houses during the 11th plan. The country is already facing a shortage of 24.7 million houses in the urban areas. The shortage is likely to increase to 26.53 million houses by 2012. The maximum requirement will be for the economically weaker sections and low-income group categories.

Investors lose interest in Rajarhat - The focus on Rajarhat in the eastern fringes of the city appears to be on the wane among national and international investors. This is mainly due to the fact that fairly large tracts of land there aren't just available and whatever can be purchased are priced so exorbitantly high that most prospective investors are put

off. But real estate circles aren't all that convinced. They feel that many companies may also pull out of the area if their expectations aren't largely met.

WBSIDC plans joint venture for setting up 10 estates - The West Bengal Small Scale Industrial Development Corporation plans to develop 10 industrial estates for the SSI sector in the State in joint venture with private real estate developers. Among the private developers in fray are **P S Group, Merlin Group, Emami, South City Projects, HR Global** and other others. The proposals include setting up of an estate especially for small scale IT sector near Kolkata.

Housing demand to grow at 20% delinquency may go up marginally - The credit rating agency Crisil believes the demand for mortgage loans to grow by 20% during the current financial year as against a compounded annual growth rate of 30% experienced during the last three years. However, it expects some marginal rise in the delinquency level because of the rise in absolute amount.

Commercial property rentals in tier - 1 cities still rising - Rental rates for commercial properties in tier I cities continue to rise, says a CB Richard Ellis Report. With the Indian IT industry on tracks to achieve its long - term potential, demand for office space is expected to remain strong in the short to medium term.

Spencer's first hyper store in Bengal comes up at Durgapur - RPG Group has opened the first hyper store of Spencer's in West Bengal, which has come up at Durgapur. The store will be spread across 16,000 sq ft at Durgapur City Centre.

Infrastructure worries shatter Rajarhat hopes - Dismal city infrastructure in and around Rajarhat appears to have taken a toll on the area's planned new-gen residential and commercial developments. Realty sources associated with projects in and around Rajarhat claims that sales of apartments and office space over the past few months have slowed down. Apart from lack of infrastructure development, shortage of manpower, including good contractors is also affecting the construction.
