



Redefining Real Estate

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NARNE'S ESTATE

D I G E S T

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CHAIRMAN'S MESSAGE



*D*ear Member,

On behalf of Narne Group, I wish you and your family A VERY HAPPY AND PROSPEROUS NEW YEAR 2008. With the blessings of God almighty, 2007 has seen a wonderful growth in all spheres of activities which prominently includes Real Estate. The Real Estate has seen an unprecedented growth in India during the last 5 years. However, in the recent past, Reserve Bank of India having announced credit squeeze, has restricted the housing loans, and increased the interest rates. As a result, the real estate activity has slowed down.

In Andhra Pradesh, the infrastructure push by the Government has picked up momentum in a big way in the last few years, more so now, as the present Government has only one year to go for next elections. The scarce availability of resources of manpower, material, machinery, due to diversion of these by Government towards infrastructure developments, has resulted in

general shortage of manpower, cement, bricks, sand and machinery, to builders/real estate developers and resulted in increase in cost of these by 2 to 3 times, over the last 2 years.

Keeping an eye on forthcoming general elections, the AP State Govt. is in a hurry to fulfill the promises made during last elections, and have presented one lakh crores mega budget for 2008-09, with Rs.16,000/- crores allocated to irrigation projects alone. Government has heavily drawn on resources, for houses to weaker sections numbering about Four lakh houses in next financial year. This works out to approximately 5 fold increases in the housing activity by the state govt. With the bears running havoc on the stock market, it is the prudential investor, who will choose to place any further investment only in the real estate sector, that too with highly dependable real estate developers like Narne Estates.

The much awaited new international airport at Hyderabad has been completed and commissioned on 16 March 2008 by Mrs. Sonia Gandhi. The work on the 24 KMs and 8 lane outer ring road, connecting Hi-Tech City (Growth Corridor) to International airport is expected to be ready during 2008. Therefore, all along this 24 KM first phase of outer ring road, there will be concentrated activity for housing, commercial and institutional structures, which would release pressure on central Hyderabad city. The Government has also called for tenders for second phase of the outer Ring Road. Thus, in another 3 to 4 years, the 162 Kms outer ring

road all-round Hyderabad will become fully operational, resulting in bringing down the importance of central areas in the city and emphasis then shifting to the peripheral areas. Then, the importance of Narne projects in the city outskirts, like GOLDEN HEIGHTS, ROLLING MEADOWS, CENTRAL PARK, EAST CITY etc. would get highly enhanced.

The metro rail network for Hyderabad is already sanctioned. The project will be taken up soon, which will improve commutation facilities by leaps and bounds, to our projects. Government has also issued a G.O.No. 86 of March 2006, doing away with the restrictions on FSI for construction of buildings. This has attracted big players like **DLF, OMAXE, Reliance, Hiranandani, Sobha** developers etc to Hyderabad, and many more are planning to construct Sky Scrapers upto 100 floors. Thus, there will be huge residential and commercial towers created in the near future around Hyderabad and the city will really become a major Metro in India. Government has also sanctioned establishment of three IITs in AP and these will become operational from the next academic year.

The movement for bifurcation of the state and establishment of a separate Telengana state has picked up momentum. This has put a question mark (?) on the future of Real Estate around Hyderabad and has generally brought a lull presently in the real estate activity around the twin cities. The status of each of our projects is given in succeeding paras :-

EAST CITY

THE CHANDIGARH OF THE SOUTH

The Warangal Highway on which our prestigious EAST CITY project is located has gained importance now. The construction of **Singapore township**, establishment of IT park over 100 acres by **Rahejas**, allotment of 450 acres of land for two SEZs to **Infosys**, establishment of **Hindustan Petroleum Storage Depot**, construction of **Nizams Institute of Medical Sciences** in East city etc, on this highway, have given prominence to this area and Govt. is also proposing to further establish some more SEZs, on the same route. Thus EAST CITY has bright prospects in the near future.

ADDITIONAL DEVELOPMENT CHARGES

We would like to clarify to the members that development works are carried out on a cost to cost basis in phases, and these are reviewed periodically till completion and any short fall is to be reimbursed by members. The first phase of developments, like the WBM roads (Kankar roads), cemented rain drains; underground (large dia) sewage lines with manholes and septic tanks; water



Road formations at Sector V

supply with bore-wells, underground sumps, overhead tanks with (large dia) distribution lines; 3-phase electric supply; avenue plants, fencing etc are almost completed at sectors I, II, III and IV. In the recent past, the company has reviewed the progress of developments, the balance works vis-a-vis amounts collected from members. It revealed that the amount **estimated** years ago, is inadequate to complete the second phase of works like tar topping and Parks. Therefore, necessarily the development charges had to be revised to Rs.125/- for sectors I & II, Rs.150/- for Sector III and Rs.250/- for Sectors IV & V, based on balance works. The members need to remitt the difference of amount between the development charges already remitted by them and the revised charges. These rates are applicable to all members at all sectors including those, whose plots are **already** registered. The additional development charges are mainly required for additional works like **"tar-topping"** of the 200 km roads and to develop about 200 parks, spread over



Development works in progress at Sector-V of East City

sectors I to V of EAST CITY. We have requested members for payment of additional DC by posting individual letters, giving details. Most of the members have appreciated and understood the need and have responded positively and have been remitting the additional amounts. We have stepped up the momentum of development works and hope to complete the same by 2009. Few members, who still need to send in the additional development charges are requested to clear the same by 30 June 2008.

MAINTENANCE CHARGES

It is brought to the notice of members that there has been abnormal increase in cost of manpower, material and machinery by about 2-3 times in last 2 years. Therefore, the company is forced to revise the maintenance charges for each project as given below :-

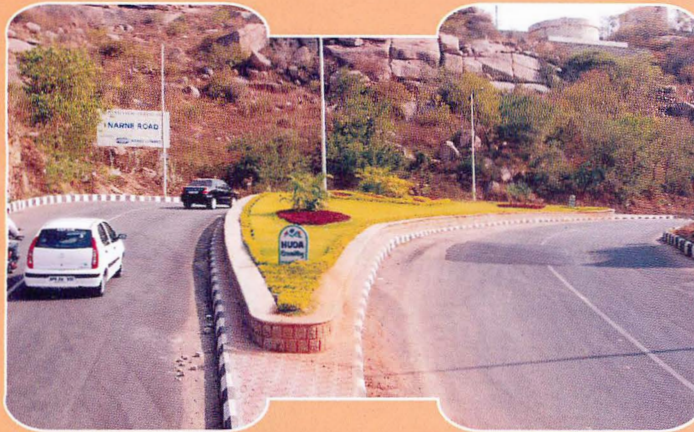
- (a) East City, Rs.1200/- per plot, per calendar year, with effect from Jan 2006.
- (b) Golden Height I & II, Rs.4000/- per plot, per calendar year, with effect from Jan. 2006.
- (c) Central Park & RM, Rs.5000/- per plot, per calendar year, with effect from Jan 2006.

Members may kindly note that maintenance charges also cater for the security guards, who are employed round the clock in all projects, to protect the plots and development works from encroachments. The maintenance charges upto calendar year 2006, remain the same as reflected in news digest of March, 2007. All plot owners are requested to remit the amounts upto and including 2008, to facilitate upkeep, maintenance and security of their plots.

STATUS REPORT OF EAST CITY PROJECT AT VARIOUS SECTORS

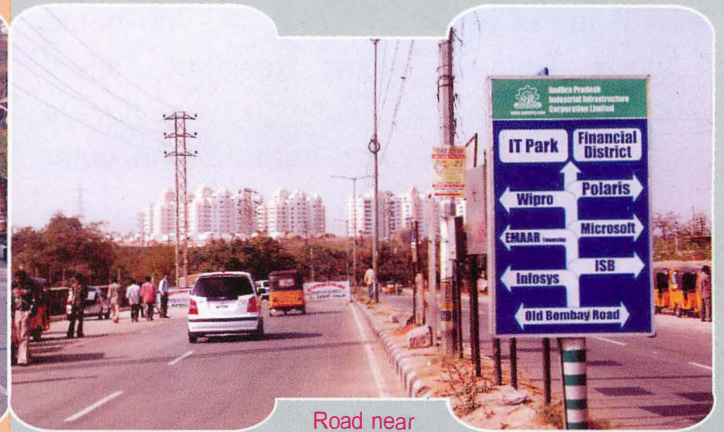
| | Sector-I | Sector-II | Sector-III | Sector-IV | Sector-V |
|-------------------------------|-------------|-------------|-------------|---------------|---------------|
| 1. Roads | | | | | |
| a) Rough formation | Completed | Completed | Completed | Completed | 70% Completed |
| b) Fine formation | Completed | Completed | Completed | Completed | 50% Completed |
| c) WBM (Gravel Road) | Completed | Completed | Completed | Completed | 50% Completed |
| d) Culverts | Completed | Completed | Completed | Completed | 50% Completed |
| e) Tar Topping | Pending | Pending | Pending | Pending | Pending |
| 2. Sewage lines with manholes | Completed | Completed | Completed | Completed | 40% Completed |
| 3. Water lines | Completed | Completed | Completed | 50% Completed | In progress |
| 4. Water reservoirs | Completed | Completed | Pending | Pending | Pending |
| 5. Electric Supply | Completed | Completed | Completed | Pending | Pending |
| 6. Parks | Pending | Pending | Pending | Pending | Pending |
| 7. Maintenance | In progress | In progress | In progress | In progress | In progress |

We have been able to successfully question the finalization of preliminary decree in favour of alleged partners, laying counter claim on the owner of GVJH lands, by pointing out major flaws in the preliminary decree. Also, the case in a special court filed by Government of A.P., claiming the entire project land as belonging to Government, is actively being contested. Some of the members have already filed individual cases in civil court and have obtained injunction orders against all concerned. Efforts are being made to progress the court cases to their finalization, as well as probing for settlement out of court. We would get back to you as soon as there is considerable progress.



Narne Road connecting GVJH to old Bombay highway

All development works are completed and plot registration have been carried out in favour of members, who have completed all payments. Original sale deeds have also been handed over to such members. All common areas in this sector had been handed over to Serilingampally municipality in the form of a gift deed, before release of final layout of HUDA. Members in this project may be happy to note that the final HUDA's layout approval has now been obtained by us. We are awaiting our members to build their dream houses in this wonderful project.



Road near Central Park and RM connecting to growth corridor and International Airport

These two projects are cleared in all respects by HUDA and DTCP respectively. Development works have been completed at Phase-I and are in an advanced stage of completion at Phase-II. Registrations of plots are being carried out in both the projects in favour of members, who have completed payments in full, and original sale deeds are being handed over to them. Members are requested to go ahead and build their dream houses in these projects, National Highway-7 abutting the project is already operational. A large number of colonies are springing up in the vicinity, mostly for NRI clients.

All development works have been completed long back. Plot registrations are being carried out. There have been ULC notices to the earlier land owners of 30 yrs vintage, which are being contested. We are making all out effort to ensure that the lands are cleared from ULC. We are also vigorously trying to obtain the final layouts approval from HUDA. In the meanwhile, members whose plots are yet to be registered, are requested to clear their dues and get their plots registered at the earliest.



Fully Developed park at Central Park-II



GOLDEN HEIGHTS RESIDENCY

The finest in living standards now comes within easy reach. Nestled amidst lush green, unpolluted surroundings, **Golden Heights Residency** is a sprawling campus abutting National Highway-7 to **Nagpur**, on the Northern limits of **Hyderabad**, in close proximity to Genome valley, ICICI Knowledge Park, Tata Energy Systems, Shantha Biotech, Bayer India, Apparel export park etc. As the name suggests, Golden Heights Residency offers you the style of living that you have always dreamt of and only 2 km from 12-lane outer



A view of Silver Club apartments with a Well Laid out park at Golden Heights Residency

Ring Road, and Rly stations **Medchal** and **Dabirpura**, served by MMTS, with a Multiplex and a shopping mall, near by.

Golden Heights Residency next to Golden Heights Phase-I, is a gated community, envisaged as a world class integrated township, with its own shopping complex, recreation and community centre, club house, landscaped parks etc, in short, your own completely self contained world. Only a fortunate few can have the opportunity to call this paradise as their "**Home**", as only a limited number of independent Villas and flats are on offer.

The projects has the distinction of being the first project to incorporate the principles of both **Vaastu** and **feng shui** for design and layout. Another first is the "**Geo-biological compatibility**" of each unit, which helps to relieve geopathic stress caused by earth's energies on humans, for peaceful and happy living.

Members at other Narne projects are offered a very special discount for bookings at **Golden Heights Residency** and also group booking discount, members get member scheme discount are available. You, your friends, and relatives can make a wise investment at **Golden Heights Residency** before it gets late. Please contact the marketing Department at the Corporate office Phones : 27844720 or 40400000, extn 189 for more details.

REGISTRATION CHARGES

The Government has since 1st Feb 2008, increased the land values for the purpose of registration, in and around Hyderabad by over 100%, on all lands covered by HUDA and outside. This affects our projects, namely Rolling Meadows, Central Park I & II, Golden Heights I & II & Residency. The revised registration charges are as under :-

| Project Name | Revised Registration Charges |
|--|------------------------------|
| 1. Rolling Meadows, Central Park I & II | @ Rs.1800/- per sq yd |
| 2. Golden Heights Phase I & II | @ Rs.700/- per sq yd |
| Note : East City [All Sectors] continues at earlier rate and likely to be revised by AP Govt. wef 01 Apr 2008 | @ Rs.100/- per sq yd |

MAINTENANCE CHARGES

As you are aware, after completion of development works, projects need round-the-clock security and regular maintenance of services Viz roads, drainage, underground

sewage, water supply, electricity avenue plants, fencing etc. The maintenance charges to be paid by the members for these services are as under :-

| S.No. | Project Name | Rate per plot per calendar year | Period | Total charges due |
|-------|-----------------------|---------------------------------|-------------------------------|--------------------------|
| 1. | East City | | | |
| | a) Sector-I & II | a) Rs. 600/- b) Rs.1200/- | 1995-2005 2006, 2007, 2008 | Rs.6,600/- Rs.3,600/- |
| | b) Sector-II | a) Rs. 600/- b) Rs.1200/- | 1999-2005 2006,2007, 2008 | Rs.4,200/- Rs.3,600/- |
| | c) Sector-IV & V | a) Rs.1200/- | 2006, 2007, 2008 | Rs.3,600/- |
| 2. | Rolling Meadows | Rs.5000/- | 2006, 2007, 2008 | Rs. 15,000/- |
| 3. | Golden Heights I & II | Rs.4000/- | 2006, 2007, 2008 | Rs.12,000/- |

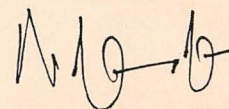
All plot owners in the above projects are requested to pay the maintenance charges along-with arrears, for facilitating proper protection and maintenance of their plots, to enjoy the benefits of better appreciation and to be in ever ready condition for making their dream houses.

As can be seen from the above, we are making every effort to ensure steady progress in all the projects. It will be our endeavour to ensure that members gain on their investments by getting adequate appreciation and enjoy a strategically located plot, well developed for making their dream houses. The above also indicates the tremendous growth potential in Hyderabad and its surrounding areas. As time goes by, BPO/ITES units, biotech industries, corporate educational institutions and others, would demand more and more plots and buildings. There is no looking back on the growth of investments in the real estate sector in Hyderabad, which will definitely give maximum returns, compared to most other investments. I sincerely advise the members and their friends and relatives, to make good use of this opportunity of investing further in

our projects like **Golden Heights Residency**. We are happy to announce that to ensure all our members have access to information at all times, we have posted this news letter on our website **www.narne.com**. This does away with postal deals, loss in transit or wrong address problem. Please inform the same OR forward this news letter to any other members that each of you are in contact. Looking forward to bring you close to us by constantly improving our work processes, now and always.

All the members are requested to forward to VP (CS), **ramanarao@narne.com** their latest e-mail id to ensure all further communications reach you immediately. I conclude this news digest, wishing you all once again **a very happy and prosperous new year 2008**.

Yours' Truly



Col. (Retd) Narne Ranga Rao
Chairman Managing Director
Narne Group



Redefining Real Estate

NARNE ESTATES PRIVATE LIMITED

Corporate Office :

1, Gunrock Enclave, Secunderabad - 500 009.

Andhra Pradesh, India.

Ph : +91-40-4040 0000, 2784 4720

Fax : +91-40-2784 1246

E-mail : cs@narne.com

Website : www.narne.com

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