

"I am committed towards changing the outlook as well as the face of the INDIAN REAL ESTATE arena."

—**Mr. Tarun Shienh,** *CMD, Premia Projects Limited*

Tarun Shienh has become a renowned name in the Indian Realty sector of today. With innovative ideas like the Premia Corporate City, he has captured the imagination of the young and aspiring investors. A one-on-one with the man reveals that he has much more to offer than just the investment avenues we see today. His thoughts run much deeper than the mere prospect of making profits. He has envisioned changing the realty sector in the Indian scenario and is set out to make these changes armed with all the knowledge and expertise he has amassed in the years gone by. Here, we present excerpts from the parley with the "Real Estate Guru", Tarun Sheinh, revealing his secret armour (read visions and innovative ideas) and how he came to be, what he feels the future has in store for the industry and his organization and how he plans to leverage on his abundant experience. All this and much more…

Q. The beginnings are always humbler than the conclusions. Has this been the case with you?

Yes, I absolutely agree. The beginning has seen me starting as a humble financier. But the most significant thing in taking you to the top rung is build up on the experience and stay sharp at all times. The corporate world, with all its fierceness, needs you to be constantly on your toes and thinking on your feet is immensely crucial. And that is what I have been able to do throughout my career. I have always kept my mind on the more important things like client satisfaction and interest and this has paid off well for me in the long run.

Q. Could you share your journey till now with us to give our readers a better understanding of how you got to the present pedestal?

I am an MBA with a Post-graduate degree in Financial Management and have spent almost 18 years in the Finance sector and worked with several big guns of the industry like HDFC, Max, and Allianz etc. I have headed the investment products for HDFC for entire north for a long period of time. Apart from this, I have held positions like branch and region head for Insurance organizations such as Max and Allianz. Now, I have ventured into the Realty Sector, hitherto unexplored by me personally. Though I had always followed the real estate developments, I hadn't served with a realty organization before. I have also



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been associated with some other real estate organizations and worked towards driving them to excellence.

Q. Your outstanding career speaks volumes about you, as a prolific expert and as a strategist. How did you manage to leverage these qualities in your company, Premia?

It was during my term in the financial world that I understood the needs of customers while investing. I saw a great potential in the real estate sector as there was a lack of organized corporations as per the clients' perceptions. This was the gap I saw and focused my energies on. I envisioned an organization that gives its clients a wholesome service experience, an experience that leaves an impact on their minds. The vision is to have a symbiotic relationship with my clients, wherein my investors see their money grow and I, in turn, benefit from the lasting relation that I build with the clients in the process.

Q. For achieving this position, you must have faced some bumps along the road. How did you cope with them and turn those hurdles into stepping stones?

I have always been blessed with a keen insight and a fighting spirit. These are the very things that helped me along the way. It is almost impossible to have a career as a long as I have had and not step into some potholes. But the most important thing is to stand up again, dust yourself off and start building on your strengths. One has got to have a positive attitude at all times and to come out on top of situations every time requires a lot of grit and commitment. Execution is another important aspect that has to be given the due diligence. It is a combination of all these that has helped me survive the low tide.

Q. Who are your role models or inspirational forces who motivated you to achieve success in your life?

My biggest motivation has always been my work and my clients. It is towards them that I direct all my efforts and it has always been a source of inspiration for me. Apart from this, there have been numerous figures in my career and life that I have looked up to and got an impetus including my superiors at various points of times and a no. of colleagues.

Q. What's your assessment of the prevailing economic environment? What are the bottlenecks and challenges for the real estate industry?

I see the current economic environment to be under serious turmoil owing to the global economic slowdown. There has been a lot of industrial commotion that has resulted in the overall marketplace not responding as per the expectations. As far as the bottlenecks in the Real Estate industry are concerned, there are a lot of them. Regulatory policies and regulatory authorities have been less than supportive and there appears to be an impasse at times leading to loss for both the clients and the realtors. But as I see it, the biggest shortcoming is the absence of transparency with the client. This is something that will always help an organization in the longer scheme of things and must be present so as to build trust and to prosper.

Q. Last year has been a tough year for the Indian real estate sector, with developers' expectation of a sales revival turning out to be a pipe dream. Are you hoping for an improvement this year?

Well, hope is all we live for, right? Anyways, the real estate sector does seem to be on a revival stint and the market is starting to get a tad better. This, combined with certain policy changes that are on the cards, should see the Indian Real Estate through to better times. In any case, the kind of dedication and commitment we have shown towards our clients and the projects we are coming up with are sure to grab the clients' attention and we would hopefully be on the track as the time goes by.

Q. Premia is bringing in luxury products in the housing segment. Kindly, share with us about the projects, their time line and base price.

Yes, we are bringing the clients a whole array of luxury products coupled with the ever-so-elusive affordability factor. An immaculate example is the "Premia Corporate City"- first of its kind in India. This city is one investment avenue that gives the investors a wide range of choices whilst still maintaining the costs to a level that make them a not so distant specter.

Q. What's your take on Premia's overall business strategy? Will Premia be able to achieve an eminent position in the market?

Premia's primary business strategy is transparency to the customers. This is the theme that we have built our business around. This is, I think, the single most important component for a business strategy to be successful. Secondly, we believe in building relationships with our clients. It is on virtue of these relations that we hope to attain firm footing in our initial years. As for what Premia will be able to achieve, we, at Premia, certainly aspire it to transcend all our expectations and with the efforts everybody has been putting in, we most definitively are moving in the right direction.

Q. How do you see the residential and commercial realty shaping up? Do you see any emerging trend?

Both the residential and commercial real estate projects are going to see a period of growth much higher than the current one; that is what I feel. With Indian economy gaining in strength and importance in the global market, it is expected that the real estate growth will be exponential as more and more MNCs and corporate giants set foot on Indian soil. Time will decide how long the growth continues for but right now, I see no ceiling to this.

Q. How much emphasis do you place on architectural excellence, innovative technologies and design in Premia projects?

As an organization, we strive towards delivering nothing but the best to our investors. Having said that, I think the most crucial thing for us to do is to attain excellence in all walks of our field. We employ the best architectures around the world for designs of our structures. As far as innovation goes,

I am committed towards changing the outlook as well as the face of the Indian Real Estate arena. I have, in my stints in the financial sector, gathered that there are a host of shortcomings in real estate in India and I wish to see the things progressing in the right direction. Our industry is a customer-centric one and we have to prioritize the customers' satisfaction and trust.



we have overlooked no part and combined absolutely the most ingenious and one-of-a-kind technologies and designs to present the best outputs. I have always believed in the integrity of a being and this is the best way to make our familiar with ours.

Q. As always, customers look for products which give them value for their money. And they also have great expectations. What has been customers" response for projects being developed by Premia?
So far, the projects we have developed have been received well in the market. We have been able carve a niche for ourselves and are planning to stick to it by all means possible. The major reason for this is that we have presented the investors with exactly what they were looking for. We, as I mentioned earlier, have coupled luxury with affordability and on top of it, we have been able to build the clients' trust in our organisation. Believe me; that is as potent a combination of factors as you will ever find and it has worked like a charm. We have been able to put together a healthy customer base.

Q. How does Tarun, as an expert in finance and one who knows the nitty-gritty of policies associated with it, sees the RBI's policy initiatives like rate cuts in repo and CRR, taken on regular intervals?
These are positive steps that help boost housing demand and encourage foreign investment in the sector. This also leads to a reduction in interest rates for buyers as well as builders and developers. These are small but necessary positive moves to boost investments as well as demand in the real estate sector. These growth oriented monetary measures combined with the government's fiscal measures augur well for the industry. These reductions in the CRR and Repo rate bring in some liquidity into the banking sector. These are positive moves and tend to reduce interest rates marginally, which generally helps the real estate industry.

Q. In his latest avatar as a realtor, Tarun Shienh is out to change the way Indian real estate works. Agreed??
Yes, I am committed towards changing the outlook as well as the face of the Indian Real Estate arena. I have, in my stints in the financial sector, gathered that there are a host of shortcomings in real estate in India and I wish to see the things progressing in the right direction. Our industry is a customer-centric one and we have to prioritize the customers' satisfaction and trust.

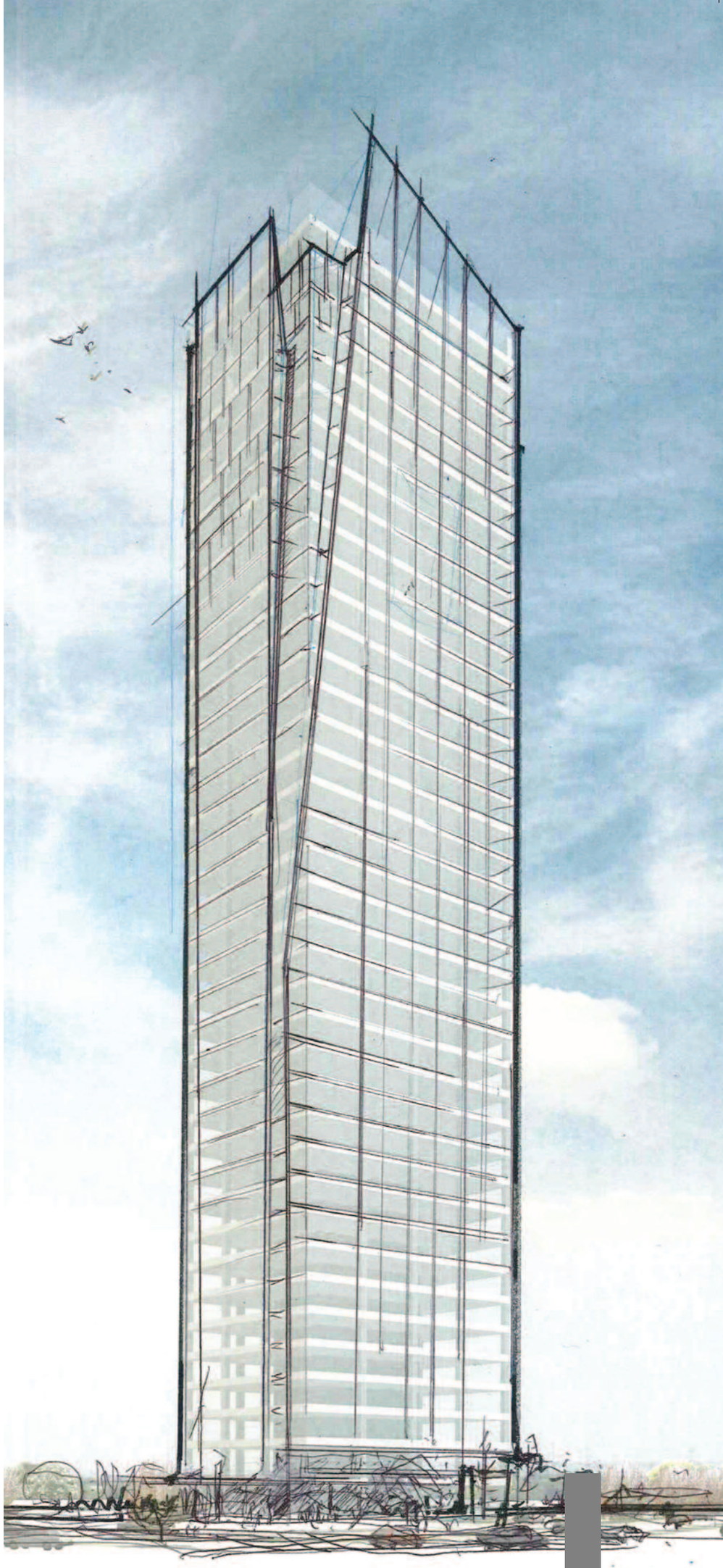
Q. What is the secret behind the unprecedented success you have achieved so far? Do you see yourself as a role model for young real estate entrepreneurs?
There is no secret to whatever I have been able to accomplish. Whatever I have managed to actualize is because of the values I have been inculcated with. It is just that I built upon my experience and the knowledge in finance sector and have been able to execute whatever I planned with great success and precision. It is very important that one doesn't forget the lessons learnt and doesn't fail to execute the plans. That is all it takes to do things right. As for being a role model for entrepreneurs, I don't know about that. But there is something I would like to propound; be true to your values and your clients and keep their best interests at the top of the priority list. This will help you grow to the highest level. And remember, there is nothing more important than a commitment made to a client. ■

Premia's primary business strategy is transparency to the customers. This is the theme that we have built our business around. This is, I think, the single most important component for a business strategy to be successful. Secondly, we believe in building relationships with our clients.

industry. At a time when industry is looking for a push from government agencies and bankers to stave off liquidity crunch, Shienh's emergence shouldn't have taken place at a more opportune period. Equipped with diversified expertise which he gained during his association with top-notch banks and financial institutions, Premia chief heralded a new era in the space where business can be done in quite a transparent ways and every stakeholders share the benefit. With a no-nonsense approach, a hard-working temperament, a professionally skilled team and strong will power, Shienh personifies simply the best and most-sought-after developmental phase in realty. As a go-getter entrepreneur, Shienh has spelt a magical grip in the sector while managing, branding, re-inventing and leveraging his skills for the growth and sustenance of real estate sector. With an unbridled drive and passionate zeal, he conceptualises ideas, creates them accordingly and launches them to the benefit of every buyers and investors.

Premia Corporate City at Greater Noida (West) is poised to be next five-star corporate address and preferred shopper or corporate destination. India's First Corporate City is geared up to attain masterpiece status with innovative world class design complimented with socially responsible attitude toward environment and other social causes of importance. Corporate City concept is latest trend in the industry, where every service, amenity and facility for corporate houses and MNC's will be provided in a single location. From luxury 5-star hotel, world class retail mall, corporate offices, serviced studios, amusement park, 5-star clubs, world class gym and spa to three-tier security, one can find almost everything in a Corporate City. Premia Projects Ltd, Noida-based Real estate company, is known best to deliver highest standards of projects with innovation and commitment. Its ideal location, world-class infrastructure facilities, and close proximity to business, cultural and economic hubs, has already attracted overwhelming response.

Riding high on tremendous response for its Corporate City Project, Premia is coming up with several residential and commercial projects in various parts of country. ■





Lifestyle of Mr. Tarun Shienh

I was born on…	23RD SEPTEMBER
Which makes me a (Sun Sign)	Cusp Carrying Good Qualities of Both Virgo & Libra Sign
Philosophy of my life…	Live & Let Live
If not a developer, I would be…	Teacher
My style of clothing…	Formal Wear
Designer labels I would go for…	Burberry & Armani
My favourite designer…	Giorgio Armani
Fragrance I love…	CK One , CK Escape
Sports I play…	Golf , Lawn Tennis
Car I drive…	Mercedes S Class
Cell phones I carry…	Bold 4 , Note 2
Watch I wear…	Cartier
Pen I am using…	Mont Blanc
I love eating…	Chinese Food
Restaurants I love to dine in…	Three Sixty Degree -Oberoi
When I am not working…	I am Reading
My favourite place in the world…	Shanghai For Its Developments
Music that makes me groove	Sufi
All time favourite movies…	Guru (Hindi) , Casablanca

A message for my fellow developers... Let Us All Work Together to Evolve the Real Estate Sector

PREMIA PROJECTS LTD.

India Among Top 20 Global Real Estate Invest Market

—A Cushman & Wakefield Report

Investment Volume (USD Billion)

Rank	Country	2012
1	China	304.1
2	USA	267.1
3	UK	56.3
4	Germany	45.6
5	Japan	34.7
6	Hong Kong	27.6
7	Australia	24.6
8	Canada	23.2
9	France	20.6
10	Singapore	16.7
11	Sweden	15.4
12	Taiwan	9.9
13	Norway	8.6
14	South Korea	8.2
15	Russia	8.0
16	Denmark	8.0
17	Switzerland	6.3
18	Netherlands	4.6
19	Poland	3.7
20	India	3.4

Announced PE Deals Volume - INR billion

City	2011	2012
Bengaluru	16.1	32.5
Mumbai	13.2	13
NCR	12.6	7
Others	15.9	9.6
Total	57.8	62.0

According to Cushman & Wakefield's latest report, International Investment Atlas, the global property investment market recorded a modest 6% rise in activity during 2012 with volumes reaching US$929bn (€714bn). In what was a difficult year in most markets, investment volumes rallied in Q4 signaling the beginning of real momentum and a return of confidence in the market which could see volumes this year increase 14% to exceed US$1 trillion mark (€815bn) for the first time since 2007.

India was (20th) among the top 20 real estate investment markets globally with investment volume of INR 190 billion (USD 3466 million) recorded in 2012. Majority of the investment in India were through institutional sales (67%) while remaining were through private equity (PE) investments (33%). The market witnessed institutional sales (excluding apartments) of INR 128 billion, concentrated in commercial development sites and office segment including stand-alone and pre-leased office buildings. However the investments in institutional sales saw a decline of 37 % over last year. On the other hand private equity investment in India increased by 7% in 2012 and was noted at INR 62.0 billion.

In terms of value, majority of the Private Equity in Real Estate (PERE) investments were noted in ready income generating / operational office assets at INR 32.3 billion saw an increase of 34% over 2011. Under construction residential projects continued to witness the highest number (25) of PERE deals in 2012 and witnessed private equity investments at INR 28.5 billion. Sanjay Dutt, Executive Managing Director, South Asia, Cushman & Wakefield, said, "Investment in ready income generating / operational office assets have gained strength over the last few years due to lower risk and steady cash flows associated with this type of investment. With increase in number of high value transactions in this sector, the market is moving towards a mature phase."

China remained the largest global investment market overall thanks to the surge in land sales seen in late 2012. Nevertheless, the US began to close the gap at 2nd position followed by the UK in 3rd place.

In 2012, China and the USA were two key engines of the strong finish – the former benefitting from a record high in land right sales and the latter seeing a rush of activity to beat year-end capital gains tax hikes. However growth was far from limited to these two global heavyweights and a range of other markets in all regions saw a final quarter rally notably Spain, Poland, Norway, Switzerland, India Indonesia, Thailand, India and Australia.

India City Performance in PERE market

Bengaluru witnessed the highest number and value of private equity investments at INR 32.5 billion in 2012, recording more than double of investment over last year, followed by Mumbai with INR 13 billion and NCR with INR 7 billion of investments. However, Mumbai witnessed a marginal decline of 2% while NCR witnessed a decline of 44% in total value of investments compared to 2011.

Sanjay Dutt added, "Bangalore witnessed some high value investments in pre-leased office asset which has led it to be the top runner in the PERE market. However NCR and Mumbai continue to be preferred locations for investments due to the opportunity they offer. NCR market in 2012 saw lower number of investments, as it is an active residential sales market, which obviated the need for PE funding in many projects."

Asia Pacific - investment activity to rise 15-20% in 2013

Improved macroeconomic conditions with sustainable growth across the region will boost activity and performance resulting in 15-20% increase in investment activity forecast. Investment demand will increase as faith grows in China's soft landing but demand will also broaden and other markets such as Australia and Japan will be an increasing target for overseas investors while markets such as India and Indonesia are likely to be on the rise.

According to John Stinson, Head of Capital Markets in Asia Pacific for Cushman & Wakefield, "The likelihood of slower growth in Asia has been underlined by the desire of the authorities to better control the property sector, with new measures recently announced in China and Hong Kong for example, aimed not just at the residential market but at the commercial sector as well. This could hit trading activity but could also push up property prices due to scarcity value and could also increase interest in other parts of the region such as India, Indonesia, Malaysia and Singapore."■





Affordable Housing Sees Slew of New Entrants

RENEWED INTEREST

Buyers too have more borrowing options now. While the supply of low-cost housing remains low, at least 10 housing finance companies are willing to lend to buyers in this space



India's Rs.5-20 lakh housing segment is seeing renewed interest with a slew of new developers, investors, home finance firms and corporate groups planning pan-India expansions and investments in advanced technology in this space.

The first flush of such developers—including Tata Housing Development Co. Ltd and Ramesh Ramanathan's Janaadhar Constructions Pvt. Ltd—entered the so-called affordable housing space, traditionally a government-dominated domain, in 2009-10.

Potential demand for homes priced Rs.5-10 lakh is about 22 million units, management consultancy Monitor Deloitte said in an October report, estimating the market size for such homes at about Rs.11 trillion. In the Rs.10-25 lakh category, the demand is for about five million homes, it said. The survey was done in seven cities where mortgage finance is available broadly.

More developers and financiers are emerging to cater to this segment of buyers. Sheltrex Housing Pvt. Ltd, a new company with plans to build homes priced at about Rs.15 lakh in

eight cities, launched its first project last week, a development spread across 150 acres on the outskirts of Chennai.

Sheltrex, backed by two-year-old private equity and land-banking group Brick Eagle Capital Group, positions itself as a developer of townships with amenities enhanced by technology. The Pune-based firm has bought about 2,000 acres of land across cities. "The mission is to capitalize on affordable housing development, where we invest in acquiring land in partnership with the local developer. This is a low margin-high volume game," said Rajesh Krishnan, managing director and chief executive, Brick Eagle, which invests in and advises low-cost housing developers. Bangalore-based Ramanathan, whose Janaadhar Constructions launched its first affordable homes project in Bangalore in 2010, said the thrust in such developments now will be on execution. "But it needs to be driven by appropriate policies at the state level that ensure things like a single window clearance for certified housing projects," he said. Janaadhar has entirely sold the first phase of its project in Bangalore and will launch the second phase shortly with two-bedroom apartments priced at about Rs.16 lakh. It is planning three more projects, in Bangalore, Gujarat and on Chennai's outskirts, Ramanathan said.

Tata Housing's managing director and chief executive Brotin Banerjee said many developers stay away from the affordable housing segment because of the low prices and limited access to funds. "However, the recently announced Urban Housing Fund, which is to be set up and regulated by the National Housing Board and RBI (Reserve Bank of India), respectively, and with a corpus of Rs.2,000 crore, will work as a pool fund for developers strapped for cash," he said.

New sources of capital dedicated to affordable housing are opening up.

LICHFL Urban Development Fund, the maiden real estate fund of LIC Housing Finance Ltd, was set up last year to singularly look at investing in affordable housing projects.

The fund, which has invested in a Pune residential project so far, is looking to deploy most of its capital of around Rs.500 crore in a year or so. "We are looking at the larger cities as well as smaller markets such as Jaipur, Nagpur and Indore," said A.K. Sharma, chief executive of the fund. The fund will invest Rs.25-100 crore in each deal and is expecting internal rates of return of around 22%, he said.

Another firm Element Capital Advisors Ltd is also raising a fund to invest in the affordable housing space, said chief executive Sharik Currimbhoy.

Buyers too have more borrowing options now. While the supply of low-cost housing remains low, at least 10 housing finance companies are willing to lend to buyers in this space, from just two a few years ago, said Ashish Karamchandani, executive director and head of Monitor Deloitte's inclusive markets team. Among the older lenders is Home First Finance Co. India Pvt. Ltd, set up about two years ago by Jaithirth Rao and P.S. Jayakumar. The firm, which lends to buyers of homes priced Rs.5-25 lakh, now has a loan book of around Rs.100 crore, said chief executive Manoj Vishwanathan.

But despite the renewed interest, only a few large developers have entered the space, said Rahul Nahar, managing director and chief executive of Xrbia Developers, which launched its affordable housing venture last year. Among corporate groups, Mahindra Lifespace Developers Ltd has announced plans to enter the affordable housing sector shortly.

Rao, also the promoter of Value and Budget Housing Corp. Ltd , a pioneer among affordable housing developers, said while many new companies are entering the segment, the regulatory environment has worsened. "But because it is a very attractive market and its sheer size, people will come in and try to find solution, but it won't be easy." ■

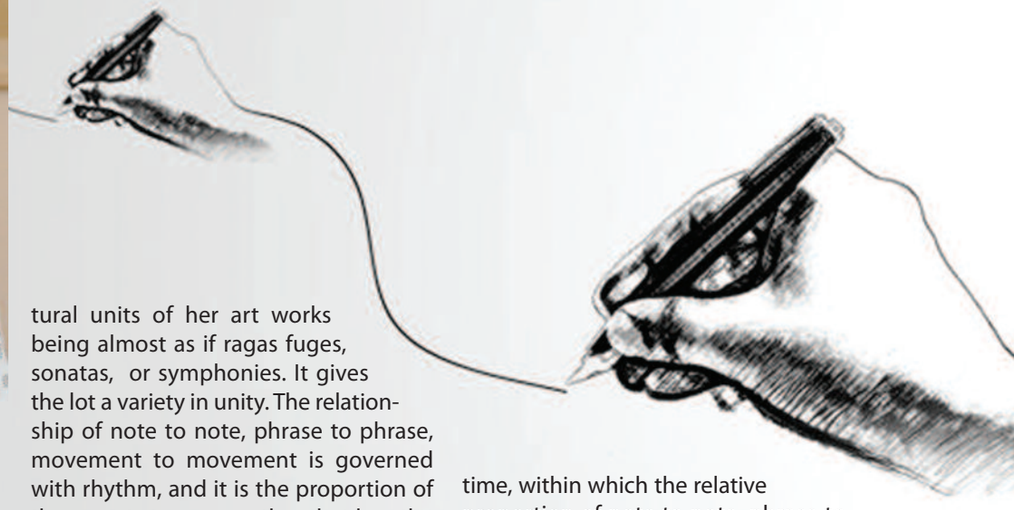


RAISING THE SPIRIT

The rhythmical bases of both music and painting is obvious, except in that in plastic art, the detection of rhythm is more difficult



Sandhya Singh



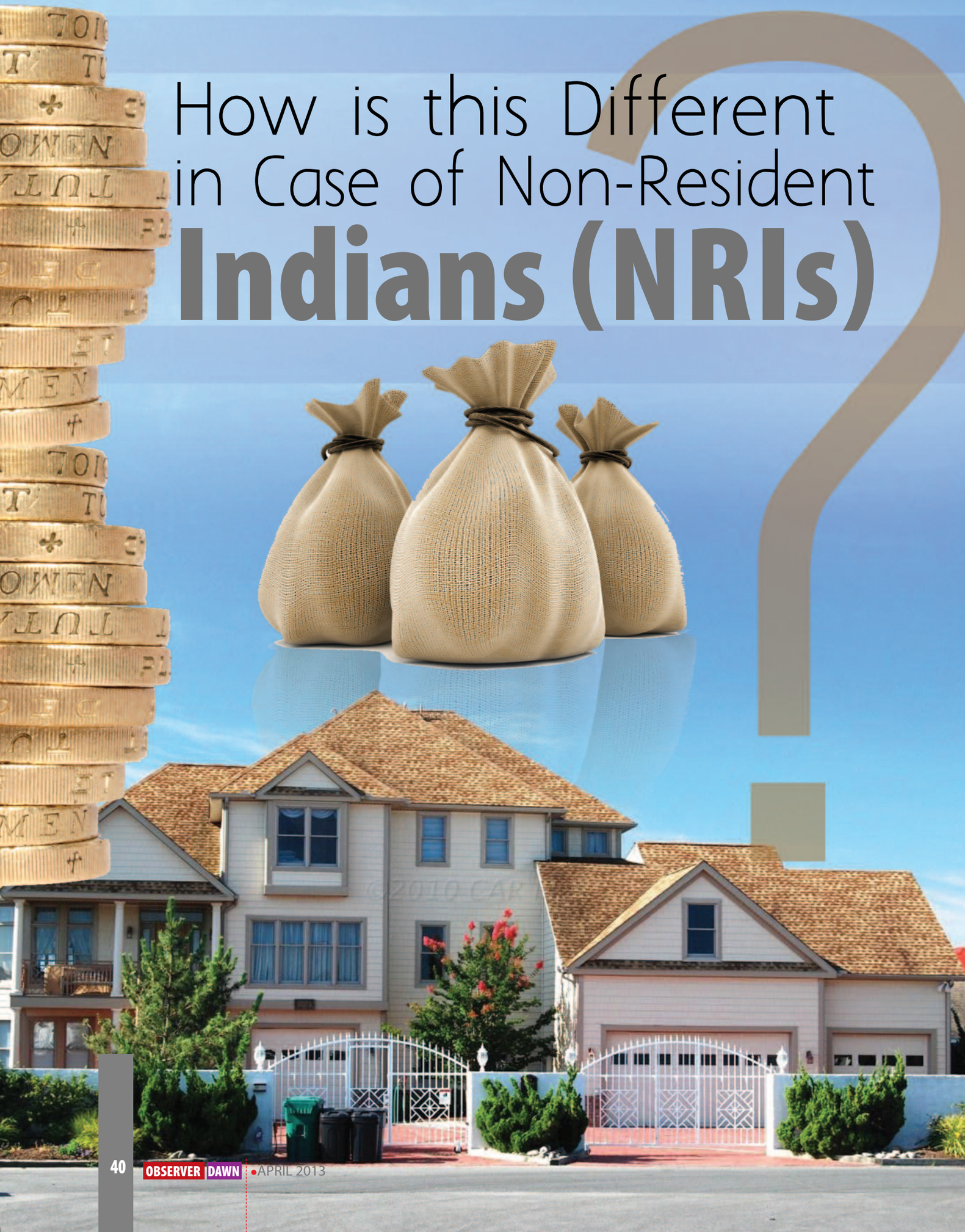
Sandhya Singh is an artist, but a formally educated one, and so she has a trained, disciplined mind. This is an asset, but what one notes, Poring, over her earlier and Present compositions (oil on canvas), is her take has on earlier and shastric music. The keys of a sarangi or gitar are her made to play a vital role in their sinuous passage from work to exciting work. The backgrounds to her compsitions lyrically warm, floral, and tenderly green-cum-yellow. So goes her rhythmic imagination, and with which she has formed a fresh genre to delight herself, and as of course the \ respective wiewer.

The nature of her pictorial music being rhythmic, it animates the various structural units of her art works being almost as if ragas fuges, sonatas, or symphonies. It gives the lot a variety in unity. The relationship of note to note, phrase to phrase, movement to movement is governed with rhythm, and it is the proportion of these parts to one another that lays the foundation of musical form, or design, to her step by step moving, and as though on the ogten veena playing compositions.

In what I call her 'sonata' form, for example, the first movement grows from the subject the Indianized exposition into the development section in which the fantasy of the composer-painter unfolds and elaborates them and leads, the Paint through into the final phrase, namely, recapitulation. This is the broad outline within which countless marvellious possibilities of melody, rhythm and varied structural devices are made to exist. The whole canvas is set out in a sequence of bars having a certain numerical value or variation in time, within which the relative proportion of note to note, phrase to phrase, and so forth, may be patterned out, together with all 'adornment ' of harmony, counterpoint and instrumentation.

This pictorial music is however allied to a geometric imagery. The rhythmical bases of both music and painting is obvious, except in that in plastic art, the detection of rhythm is more difficult. Nevertheless dhgajis compositions richly partake of rhythm, the very life-line of our lives as of a bee moving across a field, or even railway tracks seemingly unwinding slowly into the horizon. The work then has exciting musical colours. The artist's success therby lies in this direction. It certainly rises to the condition of music, surelly a divine one. ■

How is this Different in Case of Non-Resident Indians (NRIs)



Owning a home is a dream for most of us, thanks to the diverse home loan schemes available. How is this different in case of non-resident Indians (NRIs)? Is it equally easy for them to obtain a home loan and own the property of their choice? NRI home loans are now easily available in India, subject to fulfilment of certain conditions.

Who is NRI?

When it comes to defining an NRI, all banks and financial institutions go by the definition specified by the Reserve Bank of India (RBI), i.e., "An Indian citizen who holds a valid Indian passport and stays abroad for employment or carrying out business or vocation under circumstances indicating an intention for an uncertain duration of stay abroad is an NRI. So those eligible for home loans under this category would be those employed or carrying out business outside India, those posted abroad by the Indian government or companies, or those Indians serving in international agencies like the IMF, UN, World Bank, etc.

Properties eligible for loan

Home loans can be availed for any property ready for possession or under construction, construction of property on an owned plot or for alterations to the existing property. Buying of a plot also qualifies for a home loan.

Maximum amount of loan allowed and other conditions

Income and educational qualifications play an important role in deciding the maximum amount of loan available to an NRI. Banks allow an advance of 80-85 per cent of the value of the property, subject to the gross monthly income (GMI) of an individual. Maximum amount of loan granted is in the range of 36-40 times GMI. Some banks also go by the ratio of equated monthly installment to net monthly income (EMI/NMI).

For example, State Bank of India puts a limit of 40 per cent of NMI against EMI for NRIs with annual income up to Rs. 2 lakh. For those earning Rs. 2-5 lakh, it is 50 per cent of NMI, and for individuals earning more than Rs. 5 lakh annually, it is 55 per cent of NMI.

Few other banks set different criteria depending on educational qualifications, place of residence, etc. For example, with ICICI Bank, for those residing in the Middle East, the minimum annual salary required is 36,000 dirhams if the tenure is within five years and for tenures of 6-10 years the income requirement is set at 48000 dirhams. For those residing in the US, the respective limits are $30,000 and $42,000. The criteria differs for self-employed, depending on the educational qualifications.

It is important to note that only graduate NRIs can avail home loans in India.

Tenure of loans

While a resident can avail loans with a maximum tenure of 30 years with some banks, the tenure for NRI home loans is restricted. It is available within the range of 5-15 years. Extension beyond the term of 15 years is solely at the discretion of the bank and in exceptional cases only.

Rate of interest

There is a higher rate of interest charged on NRI home loans to cover the higher risk involved. There is generally a margin of 0.25--0.50 per cent charged.

Documents required

The documentation required for NRI home loans is different from resident home loans. Documents normally required are copies of the passport, valid visa and work permit, contract of employment, work experience certificate, salary certificate and statements of NRE/NRO accounts. For those residing in the Middle East, a copy of the employment card is also required. The salary certificate should be attested from the embassy if the salary is not credited to a bank.



Submission of documents

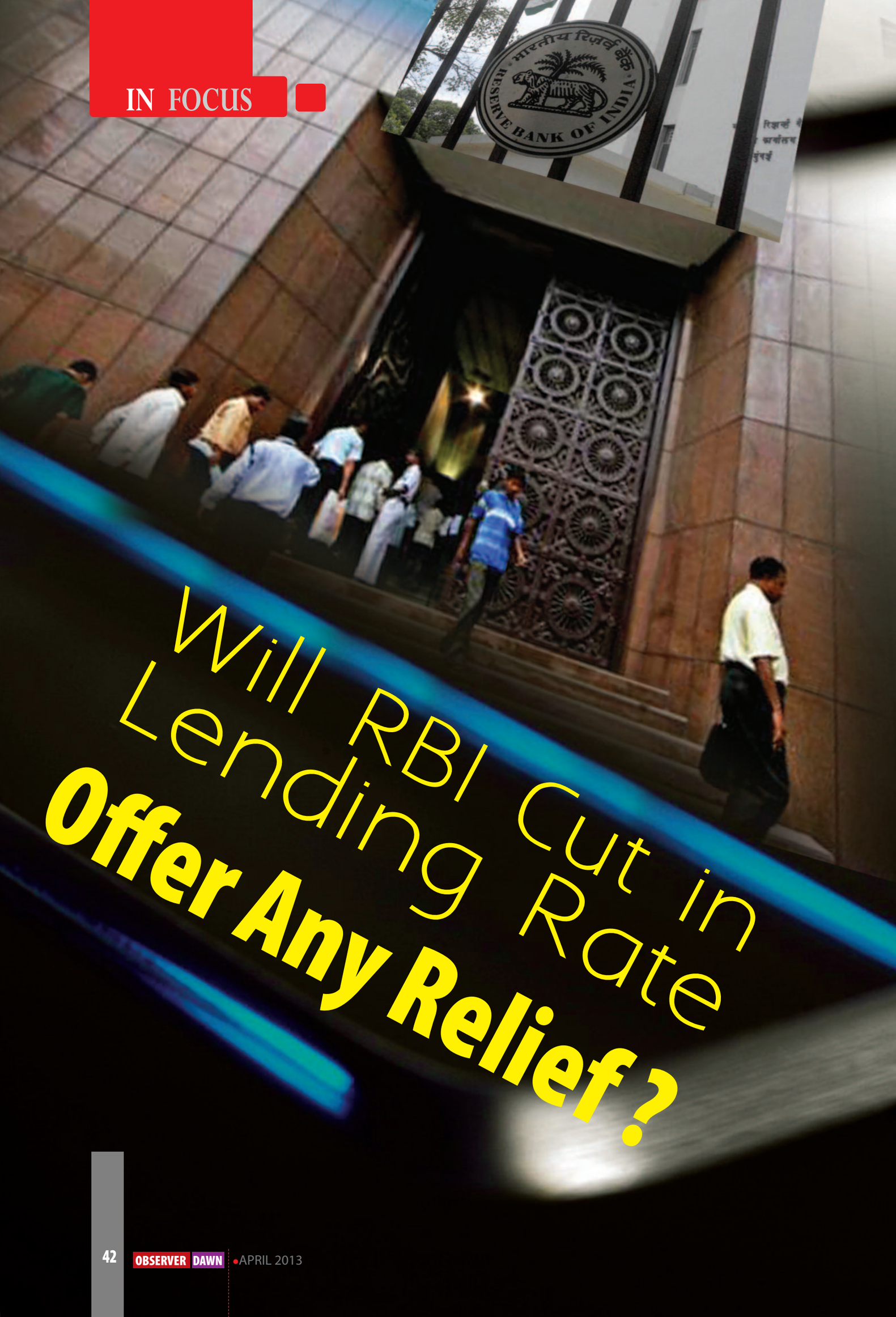
You need not wait for your next trip to India to apply for a home loan. Many banks have branches in places like Dubai, Singapore, London, etc. where you can apply for home loans. Few banks like ICICI, HDFC and Axis Bank also extend the facility of online submission and status updating.

However, you would require executing a general power of attorney in favor of a resident Indian who would act on your behalf with the bank. If the power of attorney is issued while you are abroad, it needs to be signed in front of the embassy official.

Repayment of loan

The repayment of these loans can only be through non-resident external (NRE) or non-resident ordinary (NRO) accounts with remittance from abroad. No other funds can be used for repayment of these loans. The repayment needs to be made in Indian rupees only.

Change in status from NRI to resident:
When there is a change in status from NRI to resident the loan is reworked according to the revised income and interest applicable is charged and the tenure is also revised.■



Will RBI Cut in Lending Rate Offer Any Relief?



On March 19, RBI cut its short term lending rate or the repo by 0.25 per cent to 7.5 per cent. The central bank left the CRR unchanged at 4%. The RBI cut the repo rate by 25 basis points to 7.75 percent in January after leaving rates on hold for nine months

Achyut Nath Jha

I have been following the Reserve Bank of India (RBI) more keenly than you, business journos," said my friend, Ashutosh Kumar. Not to confuse him with any economist whose job is to analyse banking policies and their impact. Kumar is a typical home loan borrower and always looks at nation's bank, hoping it to give some relief to his installment he has been paying as Equated Monthly Installment (EMI) which takes away a substantial amount from his salary. Thus any reduction comes as a source of relaxation in budget management. One can easily experience the pain of financial burden on every home loan borrower like Kumar. He is hopeful that the latest RBI cut in repo rate will reduce his EMI. But as things stand now, he will have to wait to see the benefit coming to him, depending on how eagerly lending banks, both public and private, pass the cut to the loan takers.

For a beginner, the RBI is the apex banker whose fundamental task is to maintain price stability, regulate the financial markets, and ensure flow of credit. And to do all these, it has under its control all the requisite monetary policy tools such as the repo rate, the reverse repo rate and the cash reserve ratio (CRR).The repo rate is the rate at which the RBI lends money to commercial banks. If the RBI wants to flood funds into the system, it lowers the repo rate. The reverse repo rate is the rate at which the RBI borrows money from commercial banks. Increasing this rate drains excess funds out of the banking system. The cash reserve ratio (CRR) is the amount of funds banks have to keep with the RBI. If the CRR increases, the amount available with the banks to lend comes down. Thus we see that increases or decreases in the repo rate impact the interest rate on loans, mortgages and deposits.

To put the matter clearly, after all, it's about basic economics, one need to know about the much-talked about 'base rate'(the minimum rate at which banks can lend).Depending on the cost of deposits, administrative costs, its

As major banks are yet to disclose the stand, real estate players have shown mixed reactions:



Mr. Pankaj Bansal
Director, M3M

"A 25 basis point cut in key policy rates is a welcome move from Reserve Bank, indicating that monetary policy is moving towards growth. This will allow home buyers to get loans at affordable rates and help clear the real estate inventory. In such scenario real estate sector can expect equity inflow for the projects having good earning potential. A further reduction expectation will give encouraging outlook to the economy and we can expect more inflow towards equity market as well. We would like to see further cuts in policy rates to boost investors' sentiment."--



Hemant Kanoria
CMD, Srei Infrastructure Finance Limited

"The 25 basis point cut in the policy rates was on expected lines. I congratulate RBI for complementing the Finance Ministry's reform initiatives. And at this juncture, a fillip to industrial growth is imperative in order to keep the growth engine running. Thus, the policy rate cut is very timely. We expect Finance Ministry and RBI to take co-ordinated steps so that the Indian economy can return to the growth path while keeping a lid on inflation."



Mr. Sanjay Dutt
Executive Managing Director, South Asia, Cushman & Wakefield

"The RBI has delivered on its promise to boost economic growth through reductions in key interest rates as and when economic conditions provide the legroom. The reduction of 25 basis points is a small but significant gesture for all industries and service sector companies that are faced with a decidedly slow growth period. This measure supports the Government's initiatives to boost overall economic growth without causing any major economic imbalances. However, the RBI has also indicated that cutting interest rates in every monetary policy review is not going to be the solution to boosting economic growth as other more systemic negative trends such as the stubborn inflationary trend, wide gap in the CAD, etc need to be taken care of. If this rate cut also translates in further lowering of loan interest rates by banks for businesses and for home-buying consumers, then we can definitely expect to see some momentum in a slow and anxious real estate market that was left largely disappointed by the Union Budget."

profitability and other parameter, each bank sets its base rate Loan rates are based on this. So, when the repo rate goes down, banks can obtain funds at a lower rate. This benefit may be passed on to customers, in the form of reduced interest rates on loans. So, like Kumar, next time, there is talk about RBI's policy initiative, better to open your ear and ready for its impact, positively or negatively.

On March 19, RBI cut its short term lending rate or the repo by 0.25 per cent to 7.5 per cent. The central bank left the CRR unchanged at 4%. The RBI cut the repo rate by 25 basis points to 7.75 percent in January after leaving rates on hold for nine months. Analysts from industry and market described it as a well-thought step to boost growth and revive investment. However, very soon, this sentiment turns into a bit of pessimism as they soon found that the impact may not be visible immediately. Several banks are reported to be saying that they would wait for current fiscal to end before passing on the benefit to home, auto and corporate loan seekers. But, even if the rate cut has no immediate impact, it has certainly sent a positive signal, say some of topnotch executives. Talking to media, Adi Godrej, president, CII said, "At a time when industrial production is showing nascent signs of an upturn, current account deficit is slated to drop on account of improved global conditions and there are expectations of a normal monsoon, it is necessary that the RBI provides the boost to green shoots of recovery."

However, with second repo rate cut back-to-back, RBI signaled that it is well aware of the need to revive growth and investment. Though some bankers had been hoping that it would give another CRR cut to ease the continuing liquidity strain, the central bank has not done so this time. The RBI statement is quite clear about it. In its commentary on the state of the economy, the central bank noted that the growth of the Indian economy was slowing but it did not have enough room for reducing rates as expected. ■



"The move will help curb to some extent the negative sentiments in the economy in general and real estate sector in particular. The signal will serve as a boost for the sector with sentiments of buyers turning favorable. Banks may pass the benefits to the consumers by easing lending rates. Home loans may get cheaper, facilitating the buying decision of the consumers."--

Mr. Praveen Tyagi
CMD, VVIP



"The real estate sector is rate sensitive the market believes that any rate cut will help push demand. From a customer's point of view this will improve liquidity and reduce the interest burden. However the stand of all the banks is yet to be disclosed and we hope that the home loan rate is reduced further which will boost the demand in the market."

Mr. Deepak Kapoor
Director, Gulshan Homz.



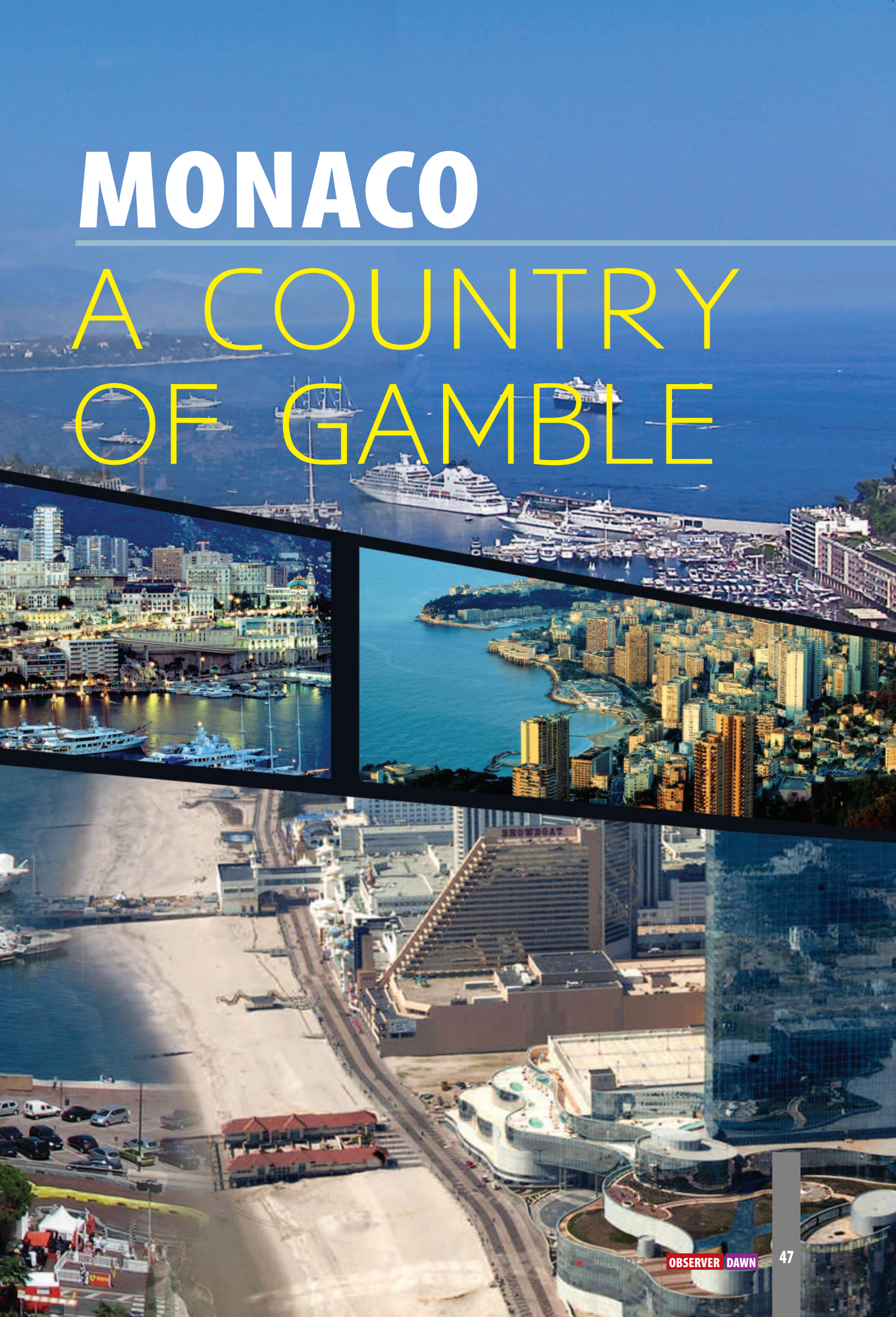
"Looking at the current situation we expected the RBI to reduce more and not just 25 basis points. We expected the RBI to soften its stand by looking at the realty sector which is already reeling under high input costs and borrowing rates. More reduction should have surely helped in boosting demand in the realty sector. We are waiting to see how much this affects the home loan rates."-

Mr. Ashok Gupta
MD, Ajnara India Ltd


Fraikin

MONACO

A COUNTRY OF GAMBLE



If it was not for its size (2 square kilometers), Monaco might someday evolve into a Goliath of a tax haven. Extending only four blocks from the sea, Monaco's three casinos, the old fortress like Palace of Prince Rainier ("the Rock"), and the high-rise apartments for the rich and famous along "Avenue Princess grace", leave little room for construction of 20th century style bank and office buildings. Monaco's attraction is her magnificent medieval buildings, interspersed among splendid restaurants, gardens and small stores, and a harbor chock full of luxury yachts from all corners of the Mediterranean. Very simply, there just isn't much room left for high-rise office buildings in pint size Monaco.

Monte Carlo City

The Principality of Monaco is the official name for the country. Monte Carlo (the city) is the name most people associate with the area around Monaco's famous gambling "Casino", a Gothic structure architecturally similar to the Paris Opera House. Across the street at the Loew's Hotel is yet another casino where high-rollers from Las Vegas, Atlantic City, Beverly Hills, and Palm Beach meet to gamble and socialize. The streets and parking lots outside are replete with Rolls Royces, Maseratis, Ferraris, Cadillacs, Lamborghinies, Porsches, antique Deusenbergs, and Mercedes. If you see a license plate with "Monte Carlo 1", it means Prince Rainer or Princess Stephanie is somewhere close-by chaperoned.

Aside from the very rich and famous, the aristocrats and multi-millionaires, Monaco's 30,000 permanent residents are just middle and upper-middle-class folks sharing in the good life. While French is the official language, English, Italian and German are spoken by almost everyone. About 1,000,000 tourists pass through Monaco each year, with approximately 25,000 Americans and Englishmen among them in any given month. A friendlier more lovable place you will never find.

No Personal Income Taxes

The Grimaldi family has presided over Monaco's constitutional monarchy for over 500 years even while France was being torn by war and revolution. For a brief period between 1793 and 1813 Monaco did become part of France, but independence was later re-instated. In 1918 France and Monaco signed a treaty providing that should the Grimaldi dynasty die out Monaco would revert to the French.

After WWII Monaco developed into a favorite tax haven for French industrialist looking to escape France's rising tax rates. This loss of tax revenue from French coffers prompted former President Charles de Gaulle to declare Monaco's tax haven status dangerous to France, and a new treaty was forced upon Monaco's rulers and signed in 1963.

Under the new treaty French citizens who take up residence in Monaco after 1957 would have to pay income taxes. Luckily, the treaty provides that Monegasques and foreigners could stay exempt from French income taxes.





Today, companies doing more than 25% of their business outside Monaco are subject to tax. Monaco's corporate tax rate is a flat 35%, but this can be circumvented with a little planning. Typically, to avoid taxation on one's foreign profits, a Monaco base company will keep only its administrative offices in Monaco while organizing subsidiaries in other tax havens. Under such a set-up the base company would pay a 35% Monegasques tax on 8% of its office expenses. If office expenses amount to US$50,000 a year the tax would amount to US$1,400.

Artists, consultants, authors, script writers and others without permanent staff can do business from one's own apartment provided the business is neither labor intensive nor a nuisance. The Government encourages such enterprises, not even calling for such operations to be registered.

The rock-bottom cheapest room available in Monaco would cost you about $75/month, but unless you're hiding from the IRS or KGB you probably wouldn't want to live there. A pleasant studio with a decent view, marble floors and good appliances can be rented for as little as $450. Those with means seeking the best accommodations should checkout the apartments on "Avenue Princess Grace Boulevard". Here rents begin at $2,000 per month and move upward. Almost all the apartments buildings in this area of town are owned by the wealthiest family in Monaco – the Pastores.

Estate, Gift & Inheritance Taxes

Assets situated within Monaco are subject to estate taxes. For those in direct-line (wife, parents, or children) to the deceased the tax is zero regardless of the amount.

Gifts or inheritances to brothers and sisters are taxed at 8%; uncles, aunts, nephews, nieces at 10%; other blood relatives at 13%;

The rock-bottom cheapest room available in Monaco would cost you about $75/month, but unless you're hiding from the IRS or KGB you probably wouldn't want to live there. A pleasant studio with a decent view, marble floors and good appliances can be rented for as little as $450.

unrelated parties and foreign charities at 16%. Securities held by a Monaco bank are subject to inheritance taxes. To avoid Monaco's estate, inheritance and gift taxes, an offshore trust or holding company located in a no-tax haven is recommended.

Real Estate Transfer Taxes

Real estate taxes in Monaco, France, Italy and Spain are more or less nonexistent. This however, is not a windfall or loophole the investor can exploit because transfer taxes on the sale of a real estate property situated in Monaco can amount to 16% or more.

Monaco requires all transfers of real estate to be registered, with a 7.5% fee going to the State. More fees of 3% to a Notaire, and 3% to 6% to the real estate agencies can be expected. Turning-over a real estate property for a quick profit is not possible with expenses these high, but there are some steps you can take to duck these



transfer taxes.

Acquiring your Monaco apartment or condominium with an offshore holding company will allow you to avoid the transfer taxes. Use of bearer shares is sometimes recommended. Later, when you want to sell the Monaco property, you simply sell the shares in the company to the buyer in the offshore tax haven. The State of Monaco recognizes that such transactions happen frequently, but there is no change of ownership as far as the Monaco tax authorities are concerned.

Place where hangout

Museum of Prehistoric Anthropology

Boasting an invaluable series of burials originating from around the Principality, this museum retraces the most significant milestones in the history of humanity.

The mission of a museum, as defined by the International Council of Museums (ICOM), is to preserve, ensure continuity and communicate to society the value of cultural and natural heritage worldwide, in the present and the future, in its tangible and intangible states.

For several months now, the team of the Nouveau Musée National de Monaco (or NMNM) has been reflecting, making inventories, organising, questioning... The consultation has included discussions with historians, restorers, designers, lighting engineers and meetings with artists aiming at renewing our outlook on the concept of heritage and the way it is transmitted to the public.

This collective work has been called "Training for a Museum". It focuses on enabling the residents and the public to understand what a National Museum is and how it fits within contemporaneity. This training will continue until the opening of a building that will accommodate such an ambitious museographic project.

The mission of a museum, as defined by the International Council of Museums (ICOM), is to preserve, ensure continuity and communicate to society the value of cultural and natural heritage worldwide, in the present and the future, in its tangible and intangible states.

Villa Sauber 17, avenue Princesse Grace and Villa Paloma 54, boulevard du Jardin Exotique are open every day from 11am to 7pm By proposing at least two exhibitions a year, the NMNM will reveal a long-ignored heritage and develop the discovery of the contemporary scene. As of now, "Training for a Museum" has determined the programmes of the Villa Sauber and the Villa Paloma according to two themes that are intimately linked with cultural, historical and artistic heritage of the Principality: Art and Performance at the Villa Sauber, Art and Territory at the Villa Paloma.

With a world-wide reputation, this exceptional museum is dedicated to all marine sciences. Its collections of marine fauna collected by Prince Albert 1st are invaluable.

Its famous "Aquarium" where the rarest species of fish in magnificent shapes and colours swim about in 90 pools, offers a grandiose spectacle.

Its latest creation, the "Shark Lagoon", a giant pool of 450 cubic metres, reveals the diversity and extraordinary colouring of the coral reef and the creatures which populate it.

Formula-1 Grand Prix

- April to June, 9.30am – 7pm
- July and August, 9.30am – 7.30pm
- September : 9.30am – 7pm
- October to March, 10am – 6pm

Museum of Napoleonic Souvenirs

This museum contains sometimes emotive, precious objects and documents on the history of the Principality, in particular the period of the First French Empire.

Museum of the Chapel

Against a 17th century baroque background, this museum houses the masterpieces of sacred art by Rubens, Zurbaran, Ribera and the masters of Italian baroque.

The Museum of Vieux Monaco

This museum is open free of charge on Wednesdays and Fridays from 11am to 4pm between June and September. It displays objects relating to Monaco's heritage; ceramics, paintings, furniture and costumes, and sets out scenes of daily life in days gone by on "Le Rocher" In 1924, representatives of old Monegasque families, who wished to fight against the risk of losing their national identity, set up "Le Comité National des Traditions Monégasques" (The National Committee of Monegasque Traditions), which includes in its missions :

- The preservation of civil and religious traditions
- The preservation and promotion of the Monegasque language
- The preservation of the Monegasque heritage

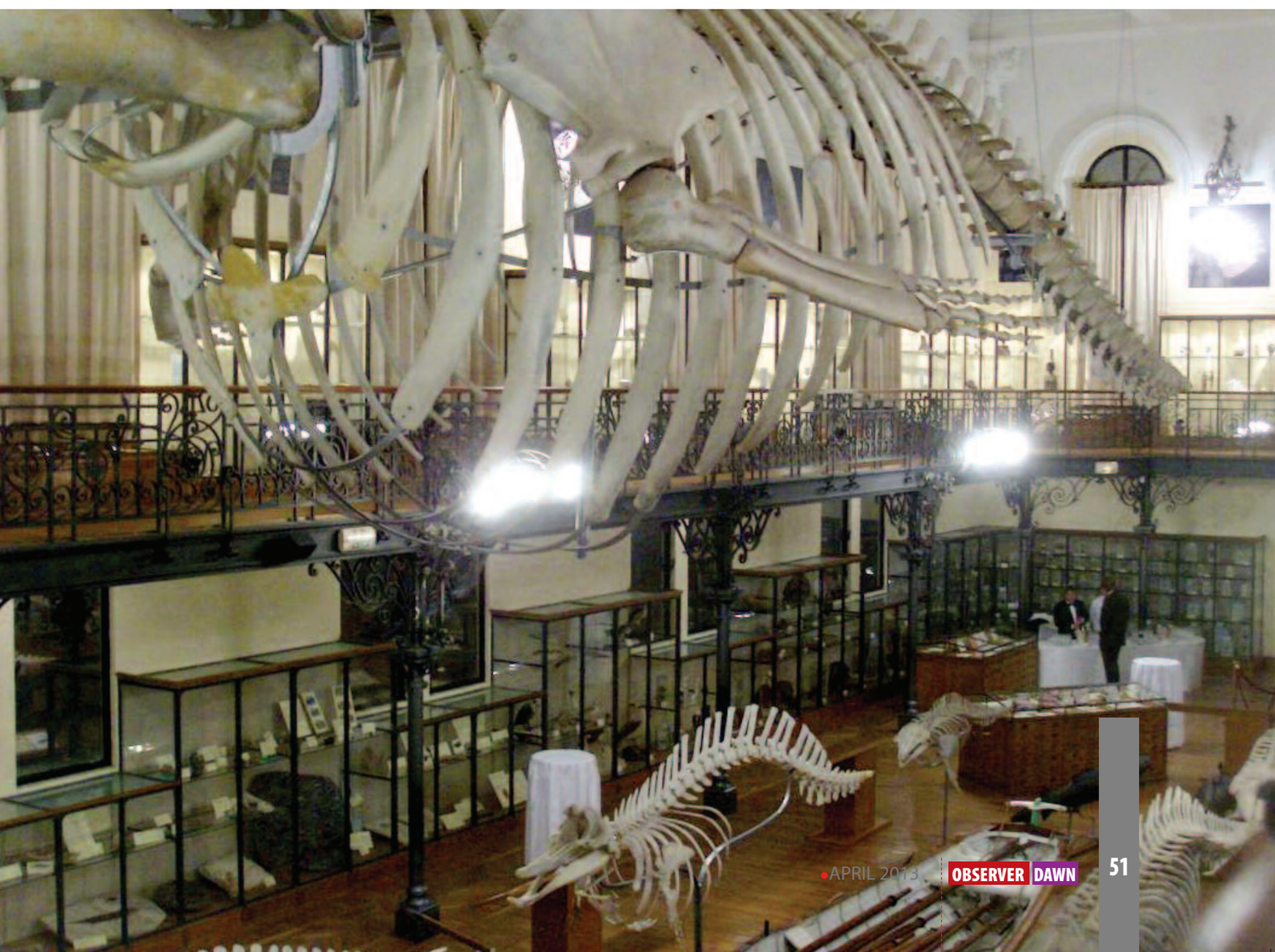
Civil and religious traditions have been maintained. Even though the Monegasque language is not in everyday use any longer, it is taught in the schools in Monaco and can be taken as a subject in the baccalaureate. It is also taught to adults so as to encourage families to use it on a day-to-day basis.

Exhibition of Monaco's Vintage Car Collection

Located on the Terraces de Fontvieille, this remarkable exhibition brings together almost 100 classic cars of all ages, made by the large companies in Europe and America as well as six coaches belonging to HSH, Prince Rainier III of Monaco.

Museum of Stamps and Coins

Of modern design, this museum contains rare philatelic specimens from the postal history of the Principality, as well as all the documents used to print the stamps since the first "Charles III" in 1885 to today. The area used for coins and bank notes shows visitors the numismatic quality of the Principality since 1640. ■



LG Optimus G E975

LG enhances smartphone experience with Optimus G LG launched the LG optimus G recently in the Indian market. The phone comes with excellent looks and features. It comes with 4.7-inch True HD IPS display and the pixel density of 1280x786 pixels. It is also guarded by Gorilla Glass Corning 2 for scratch resistance. The phone runs on Android 4.1.2 Jelly Bean operating system and is powered by 1.5 GHz quad core processor. It also has Adreno 320 GPU for better graphic quality. On the memory front, the smartphone has 2GB RAM and 32GB internal memory. But there is no support for microSD card so the memory cannot be expanded. The LG optimus G is equipped with 13-megapixel rear camera with LED flash and 1.3-megapixel front facing camera. The phone can easily record video with 1080 resolution and has support for 30 frames per second. The device also comes with audio video player which supports Dolby mobile sound enhancement. The connectivity options of the smartphone include 3G HSPA +, WiFi 802.11 a/b/g/n, Bluetooth 4.0, GPS / aGPS, NFC. The device is backed by the 2,100 mAh battery and is priced by the company for Rs 30,990. ■



Sony Xperia Z



The value for money smartphone

Sony has taken the Android smartphone war to the other level with the launch of its flagship device Sony Xperia Z. The phone was unveiled in India by the famous Bollywood actress Katrina Kaif. The Sony Xperia Z is the first device of the company which comes with s 5-inch Full HD display and a pixel density of 1920x1080. The display is also equipped with Mobile Bravia Engine 2 at 443 ppi, which further enhances the quality of the display. The main highlight of the device is that IPS57 certified which makes the device dust and waterproof.

The smartphone runs on Android 4.1 Jelly Bean operating system and is powered by 1.5 GHz quad-core Qualcomm Snapdragon APQ8064 processor. Along with this it also consists of Adreno 320 GPU which improves the graphic quality of the device. On the memory front, the Sony Xperia Z has 2GB RAM, 16GB of internal memory which can be expanded up to 32GB through microSD card. The device is equipped with a 13-megapixel autofocus primary camera with flash and 2.2-megapixel secondary camera for video calling. The camera also has some advanced features like Exmor RS sensor for HDR images and video, face detection, image stabilisation, panorama and many others. ■

Samsung Galaxy SIV

New fighter S from Samsung

After the success Galaxy S, S2 and S3 the South Korean Giant Samsung has announced the Galaxy S4. The device was recently showcased at an event in New York and it is soon to be launched on the Indian soil. It is the first handset of the S series which comes with a 5-inch Super AMOLED display with 1080x920 pixels resolution. It also utilizes Corning Gorilla Glass 3. The smartphone runs on Android 4.2.2 Jelly Bean operating system and is powered by 1.9 GHz and 1.6 GHz Octa-core processor. It is the first phone ever which is launched with an 8 core processor, but the phone will be using 4 cores at a time.

Like the choices in processors the memory is also available in three variants 16, 32 and 64 GB as internal memory. However, it also comes with a support for 64 GB microSD card. The user interface is simple as ever and is based on the Samsung's Touchwiz technology. On the camera front, the device boasts a 13-megapixel rear camera with flash and a 2.0-megapixel front facing camera for video calling. The secondary camera is also capable of dual video calling. Along with this it has unique features including Smart Pause, Smart Scroll, S Translator, S Travel (Trip Advisor), S Voice Drive, S Health and lots more.

The connectivity options include, 4G LTE LTE Cat 3 100/50Mbps) / 3G (HSPA+ 42 Mbps), Wi-Fi 802.11 a/b/g/n and a/c, Bluetooth v 4.0, MHL 2.0, GPS/GLONASS and NFC. It packs a powerful battery of 2,600 mAh. Being a flagship device the company has pieced it at Rs 43,000. ■





Nokia Lumia 620

The affordable Windows Phone 8

The Finnish handset manufacture Nokia has finally launched its affordable Windows Phone 8 the Nokia Lumia 620. Earlier this operating system was limited only to Lumia 920 and 820 which are priced at a higher price segment. But the Lumia 620 is a mid range phone and comes with 3.8-inch TFT WVGA display with 800x480 pixels resolution. The display supports the ClearBlack technology, which reduces the power consumption of the device. The device is powered by 1GHz dual core Snapdragon S4 processor and is also comes equipped with Adreno 305 GPU for better graphic quality. The smartphone has 512MB RAM and the internal memory of 8GB which can be further expandable up to 64GB via microSD card. The 620 boasts a 5.0-megapixel rear camera and a front VGA camera for video calling, not many Windows comes with the facility of video calling. On the connectivity front, the device offers 3G, NFC, WiFi and Bluetooth 3.0. Along with all this, the company is also giving 7GB skyDrive space free with the device. Moreover, the phone is available in 6 colour options Cyan, Green, White, Magenta, Yellow and Black. However, like the other Windows phone the Lumia 620 also not have FM radio in it. The Lumia 620 is the most affordable Windows Phone 8 and comes with a price tag of Rs 14,999. ■

Sufism in Contemporary India



Dr. Meher Fatima Hussain, Assistant Professor at the Dr. K.R.Narayanan Centre for Dalit and Minorities Studies, JMI was the Convener of the seminar.

Scholars, historians, academicians, poets, writers and activists gather together in what could be said as a rare occasion to engage in intellectual discourse on Sufism.

—Observer Dawn Bureau

A two day National Seminar on *Sufism in Contemporary India: An Inclusive Framework* was organised on March 13-14, 2013 at the Dr. K.R.Narayanan Centre for Dalit and Minorities Studies in Jamia Millia Islamia University in New Delhi. The seminar was organized in collaboration with New Age Islam Foundation and served as the forum to discuss and deliberate upon the significance of Sufism in contemporary times.

In the inaugural session held at Edward Said Hall in the university, Prof. Azra Razzack, the Director of the Centre welcomed the participants and said that the seminar with the aforesaid theme is being organized by the Centre as in an age of conflicting views, the issue of inclusion is close to the Centre. Concepts of egalitarianism and acceptance of difference is at heart of Sufism and on these concepts one can build framework of inclusion.

Dr. Meher Fatima Hussain, the seminar Convener delivered the thematic introduction to the seminar. She said that at a time when the society is witnessing conflicts and communalism is being consciously constructed, developing an understanding on model of inclusion is the requirement. To address the malaise of exclusion, one needs to revisit the socio-cultural repositories to work out avenues of integration. She said that the repertoire of Sufism may shed light on many aspects of inclusion as they were the ones who gave the Indian society one of the earliest lessons in inclusion. Exclusion in myriad forms with serious insidious implications is rampant that is being attempted to redress through policies of affirmative action. Laws and regulation is imperative but they are more a corrective to a fault and by the time justice is dispensed, the loss is already done. It is important is to address the deep rooted prejudice and bias from which discriminations emanate. Here philosophy of Sufism acquires importance as the Sufis were able to weave differences into harmony ensuring dignity of the individual and stability in the society.

The Sufis always regarded inclusion and integration more a subject of social responsibility than a subject of law and preached their message in common language of the people. Not only Urdu, in promoting vernacular languages and regional dialects, the Sufis played seminal role. In the processes of promoting their message of peace and harmony they also cemented linguistic bonding. Often they travelled to distant corners of the country promoting inter-regional synthesis as well.

Dr. Fatima emphasized that the seminar would be a meaningful step towards exploring possibilities of integration through sufistic model and its inclusive relevance in contemporary times. The Dr. K.R. Narayanan Centre for Dalit and Minorities Studies may not only identify aspects of social exclusion but more importantly can act as a pivotal institution where aspects of Indian inclusive culture can be researched.

The Inaugural address was delivered by eminent scholar and historian from Aligrah Muslim University, Prof. Iqtedar Husain Siddiqi. He spoke on the composite culture of India with special reference to Hazrat Moinuddin Chishti, Hazrat Nizamuddin Auliya and Baba Farid Ganj Shakar. He talked about sufi beliefs and practices that won a receptive audience in India and popularized Sufism in the country.

In the key-note address delivered on the