

HARMONY LIFESTYLES GROUP:

BUILDING HARMONY REBUILDING INDIA



Starting modestly almost four decades ago as an incipient real estate company, under the banner of “Rajgir Builders”, this low profile group stands tall as a colossus. A witness to many turbulent storms in the vast real estate ocean, HARMONY LIFESTYLES GROUP, under the NEXT-GEN maverick leadership of Mr. Deepak Jain, Founder & Group CMD, has stood the test of time with unequivocal resilience, unaffected by the market churn and successfully securing the group to safe harbour. From a real estate intermediary to one of Mumbai’s upcoming realty tycoons, the last decade has seen this suave, passionate and organised head-honcho of this burgeoning group slowly and steadily creating a niche for itself in the way real estate business is conducted.

From being amongst India’s younger prolific achievers, a thorough professional businessman to the core, no-nonsense approach, strong belief in strengthening bottom lines, continuous defining processes and being tech-savvy – are good enough qualities. But, the Industry took note of the business acumen of this young lad only won the Indian Real Estate - Innovative Marketing Award’2008, from a long list of seasoned luminaries for his out-of-the-box master-stroke contribution in enhancing Real Estate business. He went on to receive the Indi’s Achievers award for Infrastructure last year. What caught our eye was the humbleness of this man, basking in his glory, yet so calm in thoughts, he strongly believes in laying down a strong foundation and would rather



Mr. Deepak Jain, Founder & Group CMD

play down his achievements. Marching ahead – Harmony Lifestyles group has made some quick intelligent moves into the real estate, in which the group has, its main focus, and developed over a million sq. ft. comprising of approx 50 projects all over Mumbai. Also, wherein on one part it has off-loaded its business interests in Resorts, Software, etc on the other hand HARMONY LIFESTYLES GROUP has forayed into media & sports business viz. - “INK BUSINESS MEDIA” & INK GLOBAL SPORTS”. CORPORATE CZARS dissects the man in total harmony with himself and his environment, “an idealist, a firm believer in integrity, a role model of sorts to many entrepreneurs who have so much to learn from him.

“We believe in building holistic environments and building trust, so that the people who live here are happy and proud to be associated with Harmony Lifestyles Group”

- Mr. Deepak Jain, Founder & Group CMD



Mr. Deepak Jain, Founder & Group CMD, Harmony Lifestyles Group: Planning His Next Move... (Striking a pose for CORPORATE CZARS)

ONGOING PROJECTS:

HARMONY HORIZONS: A residential complex consisting three 18 storey towers in Ghodbunder Road, Thane



Harmony Lifestyles Group has been founded, promoted and spearheaded by Mr. Deepak Jain, who envisioned making this group into a professionally run, organised and formidable force. Built on a solid foundation of trust, integrity and operating on high international standards. With a rich academic background (MBA Marketing) and about 15 years of entrepreneurial experience including international exposure, he brings with him some dynamic & innovative ideas to lead the group into the 21st century.

Harmony Lifestyles Group is amongst the few ISO 9001:2008 Certified Leading Real Estate Enterprise, having a rich legacy of over 35 years in the construction of residential & commercial projects, under the banner of "Rajgir Builders". Since 1974, the group has developed over a million sq. ft. comprising over 50 projects all over Mumbai. And, housing hundreds of satisfied families, corporate, etc. Currently, Harmony Lifestyles Group has another 1 million sq.ft both – under the development and redevelopment in Thane and several locations in Mumbai. The group's past background includes business ventures of hotels (Saj Holiday Resort, Mahabaleshwar), IT training (Boston computer Institute) & International marketing of software products. The Group's main business focus is real estate development in India, and also has diversified into the media business with the formation

of INK Business Media Pvt. Ltd. (www.inkbusinessmedia.com) which produces Business-to-Business forums, Conferences and trade shows in India and offers unparalleled sales and marketing program for world leaders in organizing large scale conference and exhibitions across the globe. The group has now also forayed into the Sports Business with the formation of Ink Global Sports Holdings Pvt. Ltd which would be developing Sports Infrastructure and Sports Properties.

Simultaneously, Harmony Lifestyles Group is aware of its social responsibility and has recently set up the Harmony Lifestyle Foundation, a charitable trust to provide financial aid



BRING YOUR CHILDHOOD BACK, LIVE A CAREFREE LIFE AT - HARMONY LIFESTYLES

to the down trodden people of the country. The Group set up a 100 bed hospital in Udaipur - a part of health wonder which was inaugurated by the president of India, Smt. Pratibha Patil.

THE HARMONY - "HAPPINESS" MANTRA

- There is harmony of body, mind & soul
- There is harmony in life in every harmony home
- Let each day be a discovery, a journey at harmony
- Nature & luxury go together at harmony in harmony
- Let the birds sing a symphony to wake you up harmony, where every element is in harmony

Harmony Lifestyles Group inherits a rich legacy from Rajendra Jain, a senior veteran who started his construction career in the late 1960s. His business acumen along with a 35 year lifetime career in the construction sector gives him a wealth of experience enjoyed by few developers. Besides, what sets him apart is his humility and down to earth attitude that make him accessible & trusted by one and all. He currently is the guiding force in the group's overall strategy and growth.

It is a wonder, in those given circumstances, that a handful of resourceful go-getters went on to outsmart the very system that seemed to be designed to crush the spirit of enterprise. What Mr. Rajendra Jain achieved in the absence of good management education in those days is strikingly worth appreciating. He laid the foundation for the group's entry into the - Real Estate Marathon with the flagship name - "Rajgir builders", carrying array of construction activities in Mumbai.

During this time, little did one realise that one day his younger son - Deepak Jain would eventually turn the group's wheel of fortune, and consolidate the group into an organised corporate entity, the dream which Mr. Rajendra Jain was longing to realise one day. It is worth mentioning that, Mr. Deepak was a total novice in the real estate field. After he took over the group's mantle, he infused fresh blood and developed new outlook towards the business. Being a quick learner helped, as much as his natural charm and wits made his task easier to earn respect and admiration of all who mattered to the business. The enterprise baton passed on to the GEN-NEXT heir Mr. Deepak Jain, complements the years of efforts put in by Mr. Rajendra Jain, who must have been the proudest father having closely watched his son's career graph soar stupendously high just over a decade. The rise of the affable Mr. Deepak Jain, and his growth story's defining moment came when he was rewriting few more rules in the way business of Real Estate is conducted in India.

None of these yesteryear heroes, with the exception of one or two examples, had even the least bit of management education, something that went on to become the absolute must-have for the post-liberalisation businessman. More strikingly, the lack seemed not to matter in the least. Many of the executives recall with awe the accomplishments of the India in the Nehruvian 'licence-quota-permit raj' with its highly controlled and investment-unfriendly business environment. Harmony Lifestyles Group realizes the importance of offering the customer the advantages of a large construction company, while having the approach of an informal unit. Here everyone contributes, cares and is accessible. Backed by a professional team of architects, consultants & contractors, every project has that extra input to transcend the client's goals.

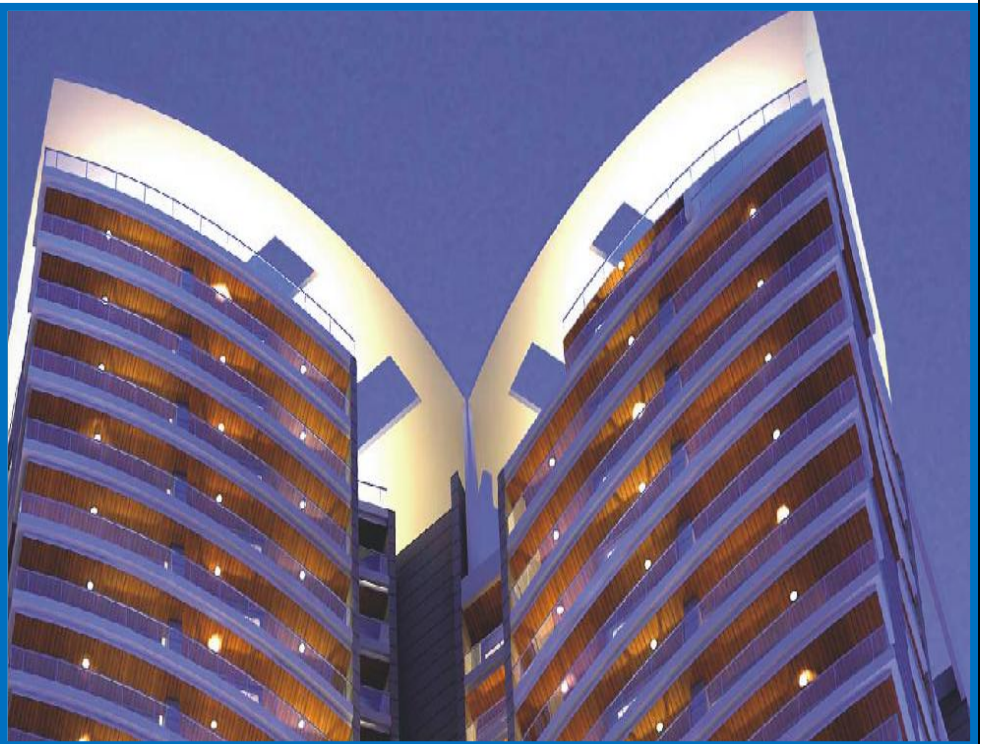
Harmony Lifestyles Group aims to become a



ONGOING PROJECTS:



HARMONY SIGNATUR TOWERS: A 24 Storey luxurious tower with all modern amenities in Ghodbunder Road, Thane.



HARMONY TERRACES: A 24 Storey luxurious tower with all modern amenities in Ghodbunder Road, Thane

professionally managed construction company delivering projects built on International standards and offering world-class services.



This quote epitomises the long-held belief of the spirit of enterprise fluttering atop the Harmony Lifestyles group, from

the heydays of his father Rajendra Jain. It says - **“Twenty years from now you will be more displeased by the things that you didn’t do than by the ones you did do... So, throw off the bowlines, sail away from the safe harbour, and catch the trade winds in your sails. Explore, Dream, Discover.”** (Mark Twain)

Philosophically, it is tempting to call for a better leadership, and probably we expect too much from the leaders of the nation. The nation is too big, the field too big for a player to commit to the future and live up to individual expectations. And, one is himself caught procrastinating, being bemused by the daunting challenges of rising to the occasion. Meanwhile, the real purpose loses its essence... To run full steam - better falter, crawl and keep the reserved strength to take bolder & bigger steps later. So, even if an individual or an organisation looks smaller now, the impact or the sound it would make would only be known in the due course, which cannot be underestimated merely by its sheer small size, and the examples are galore.

Avers Mr. Deepak - “The company has been low profile group, we wish to have inside-outside approach, to keep all our systems in check, with all time readability, we have defined process, are ISO 9001 certified, have been introducing new technologies in our group with a long-term perspective. We do not wish to comment on fly- by- night mentality operators in the market because of which real estate loses much of its sheen. I personally think that - like a vehicle if the company’s processes are in shape, then you have got a winner slowly but steadily. “Real estate prices are going to come down, keeping in view of the demand and supply in the market and enough availability of the money. There are many difficulties in project finance, so even RBI has informed banks to be cautious while giving loans to



Harmony Apartments, Marol (ONGOING PROJECTS)

builders and warned of over exposure. Govt. should make policies that pave the way for real estate growth. Many builders are concentrating on extended suburbs for masses at value for money pricing strategy. Thus, many residential projects will come up in extended western suburbs.

The real estate sector in India is of great importance. According to the report of the Technical Group on Estimation of Housing Shortage, an estimated shortage of 26.53 million houses during the Eleventh Five Year Plan (2007-12) provides a big investment opportunity. According to a report ‘Emerging trends in Real Estate in Asia Pacific 2011’, released by PricewaterhouseCoopers (PwC) and Urban Land Institute (ULI), India is the most viable investment destination in real estate. The report, which provides an outlook on Asia-Pacific real estate investment and development trends, points out that India, in particular Mumbai and Delhi, are good real estate investment options for 2011. Residential properties maintain their growth momentum and hence are viewed as more promising than other sectors. ULI is a global non-profit education and research institute.

Further, real estate companies are coming up with various residential and commercial projects to fulfil the demand for residential and office properties in Tier-II and Tier-III cities. For instance, Ansal Properties has several residential projects in cities such as Jodhpur, Ajmer, Jaipur, Panipat, Kundli and Agra. Omaxe has also planned around 40 residential and integrated township projects in Tier-II and Tier-III cities, majority of them being in Uttar Pradesh, Punjab, Madhya Pradesh, Rajasthan and Haryana. The growth in real estate in Tier-II and Tier-III cities is mainly due to increase in demand for organized realty and availability of land at affordable prices in these cities. According to the data

released by the Department of Industrial Policy and Promotion (DIPP), housing and real estate sector including Cineplex, multiplex, integrated townships and commercial complexes etc, attracted a cumulative foreign direct investment (FDI) worth US\$ 9,405 million from April 2000 to January 2011 wherein the sector witnessed FDI amounting US\$ 1,048 million during April-January 2010-11.

The demand for more capital appreciation in the wake of the rising property prices coupled with home loan rate hike has dampened the buying spirit, in ways propelling the demand for rental property in India, realizing the immense potential of rental properties in India. Rentals values in tier I & II cities has witnessed an increase of 20-25% in recent times, resulting in real estate agents devoting themselves to negotiations for rented homes more than ever. The capital value or cost of flats has almost doubled in the tier I cities where prices went up twice that earlier, in the residential segment.

Residential rentals for flats/apartments, independent houses and paying guest accommodations being more popular in tier I and II cities, have far greater avenues for those who are on transferable job or looking for job opportunities. This has created a good market for those seeking to invest in a property for rental purposes, ensuring good rentals regularly. Terrace flats, luxury apartments and home, bungalows, villas, penthouses and condominiums are gaining ground as a popular choice; and considered a safe investment option. Trends in the commercial sector are momentous as the key focus among the investors is to rent a commercial space instead of buying and facilitating low risks and less worry on maintenance. Commercial lease agreements are long-term, hence buying good space in high-quality development and leasing it to a

good brand is a wise investment decision. Usually, commercial lease agreements specify a 15% escalation in real estate rental every three years which is a good enough yield.

For those considering regular rental returns rather than capital appreciation, mall space has the distinction to be an excellent option. Real estate developers are in favor of leasing out commercial property. Service Apartments which come in the form of furnished apartments have also become in vogue. Moreover, the commercial rental market is witnessing the rising trend of mixed use developments. The product mix will have malls and office spaces with service apartments. Some of the companies are setting a trend of leasing out their service apartments.

The present scenario of leased out industrial properties/ plots of land for projects and that of the residential apartment rentals is looking up. The new concepts being developed are redefining the traditional ideas that were synonymous with rental market in India. In future, a constant watch on rental developments in India will provide serious opportunities which will spell the success of the real estate rental business. Currently, the real estate market is flooded with low cost, medium or with luxury housing projects. Nowadays, more and more builders and developers are hooked on to medium housing segment. Indian industry body, ASSOCHAM, asserts that housing demand is poised to see a growth of around 80 Million for the lower-income and the lower-middle income groups.

Housing Sector in India is also likely to generate around 4 Million new jobs within a decade with a whopping investment of US\$ 670 Billion. It is also expected that housing and real estate sector will undergo a revolutionary transformation to grow at around 14%. From luxury villas and deluxe flats, the demand for affordable housing units will be the main driver of growth in the next decade. It is anticipated that the affordable housing units will continue to account for 80% of the total sales. Released by Chief Economic, IDS NIREM* IDS National Institute of Real Estate Management (IDS NIREM) believes that contrary to the popular demand of and expectation for huge impetus to the housing and real estate sector, the India budget 2010-11 has brought a mixed bag for this sector. Though, some benefits have been extended to housing and real estate sector, the burden imposed will definitely undermine the advantages.

Harmony Lifestyles Group: "The will to persist and where the customer is a winner."

Harmony Lifestyles group has a deep understanding of the Real Estate business to delight the customer's highest ecstasy and bliss through powerful solutions, joining communities together and creating new realities of joy, based on love, happiness and support of nature.

Harmony Homes specializes in building affordable homes, desirable and liveable to suit your lifestyle. Harmony Homes builds homes with quality and delivers an affordable price to you. Harmony Homes is soon launching its own interior design division to assist in further making your home your dream home.

Q: 1 How did your real estate journey start?

A: – The Journey:

I had completed my MBA in 1994, and worked in Indian operations of an International consulting firm York group (US based), that gave me quite a good experience and an international exposure into day-to-day business learning. But, the entrepreneur in me was dying to explore more meaningful roles. I even went to the extent of trying my hands in politics, got involved into running a computer Institute (Boston) in Andheri-East, owned and managed a cyber convention centre, did export-import business, successfully managed a hotel called - Hotel Saj holiday resorts, Mahabaleshwar (which we sold to La'tim group. before finally entering the real estate business. Today my father should be proud to see that the baton which was passed to me has been completed by me, and the group has reached great heights, achieving corporate status. The dynamics have changed now. We have corporatized the group name – "Harmony Lifestyles Group, building holistic environments".

By 2003, I was completely focused into real estate development. We had land parcels in Thane & Marol which had several title issues. Realizing the macro potential of real estate development in India, I was able to clear the titles of these lands, developed them in a record time and also completed a redevelopment project in Kandivili – all in last 5 years.



Redevelopment Project, Kandivili

Q2: Why real estate?

A: I realized that the big canvas of real estate opportunities and the growth thereon was waiting for me to colour it with the shades of my aspirations, which gave impetus to kick-start my memorable journey, the more I delved into it my intellect was yearning for more. It was maybe for the first time that I was totally enjoying my work and each moment I was having an exhilarating experience. I had started to focus on real estate from 2003 onwards, set my target on half a million Sq ft development in 5 years - achieved that and have now set a target of 1.5 million in the next 5 years, activated the business processes of the company, received ISO compliance, so I involved myself at both micro & macro levels of business and for better classification of customer, etc.

Q3: What is the ratio of your projects between commercial & residential development? There is a trend wherein HNI's are investing in commercial properties (considering 200 million sq.ft office spaces is to be consumed in next 5 years) & rental yield for commercial property almost 9-12%? What is your take?

A: The ratio of land development between commercial & residential is 20%: 80%. Ultimately, the projects depend upon the land availability, location, demographics, cost, margins, marketability, etc. Making projects for HNI's as well as small investors depends upon many factors. Also, we have initiated few commercial projects

in Borivili (S.V. Rd.), a township in Bhiwandi (Kalyan Bhiwandi Belt). As well as few redevelopment projects all over Mumbai, including South Mumbai, Borivili, Ghatkopar and Bandra. Also, among our ongoing ambitious projects include – two 24-storey towers viz. Harmony signature Towers and Harmony Terraces building in Thane. And in Borivili we are coming up with retail + commercial activity. Ideally, 30 % property buyers are Investors. And, 70% of the buyers are actual users.

Q4: Central banks decision to hike key rates is expected to hit realty sales? The Builders are reeling from slump in sales, and may reduce prices by 10-15% in coming months. Only silver lining is the hike in fixed deposit rates. Your comments?

A: We are a company with a track-record of zero liability debt till now. Right now we have not borrowed any money, but as we grow and borrow, the high rates could matter to us too. But, till now we do not see the requirement to raise funds. We will cross the bridge when the river comes ahead. There is no investment safer than an investment in real estate. It is Historical fact that real estate has a real, emotional as well as a tangible feel attached to it. In the long term too the money is safest. I understand that the year 2008-09 was a depressed year, but let bygones be bygones, let's learn from the past and take corrective measures. The depression and regression will not affect us now. It could only be at an individual level rather than Industry per se that builders will offload properties for sale at a lower rate. The real action is in the suburbs, and the prices look pretty stable here. Can you imagine china's lowest per Sq ft rate vis-a-vis India's is 6000 per sq ft (In Indian value)

Q5: The home loan interest rates increased from 9.5% to 11.5%, if it increases to 12% the EMI on 20-year loan will be Rs. 934 (at 9.5%) to Rs. 1,101 per lakh. Do you think it will shrink?

A: Yes, as people are anticipating an increase in interest rate, we have experienced in thane that people are playing wait and watch to see if maybe their hopes could take wings, and the call for inevitable rate hike of 12% interest rate dies down slowly. But, even an increase in interest rate further on would not deter them from not buying, coz they have seen

the past trends, and ultimately the wise will make a quick decision, already the property rates have gone exorbitantly high. We would strictly allow only actual users to own our properties. Almost, 99% of the customers are actual buyers of the property. The Mumbai realty market is shaping up, the demand is already there except in some pockets where marginal price correction could happen, depending upon the market - demand x supply forces.

People did not have enough information, lot of rules and amendments have happened some time back. In absence of due clarity about market, projects, and so much speculation being projected from all sources in the market amounted to customers confusion in arriving at a decision. Also, there was a slump in the market, so the sentiments spread like wild fire.

Q 6: Affordable housing? Are you in that camp?

A: One has to see what market we are catering to, if an executive earns a small "x" salary, will he be able to look affordable. Our projects are catering to a housing segment of Rs. 25 lakh to 65 lakh.

Q 7: Market crash (2-3 years back)? comments?

A: If one has proper funding, cash-flow is well-planned then I do not see any trouble brewing up. We are one of the only debt-free company, we never required the funding. It depends, in the near future, if required be for undertaking very big projects & for higher growth trajectory we may agree for funding in the near future. Harmony group has learnt many lessons in the churning course of our evolved history, we believe in simplicity, creativity, innovations and constantly improving our bottom lines. Success is not a destination but it is a journey to touch many milestones. We abide to play by the book, and at all times geared to take on day-to-day challenges.

Q 8: what is your take on new FSI norm for new buildings in city? As presumed



A World class Retail & Commercial Building on S.V Rd, Borivili (PROPOSED PROJECT)

many builders sell open spaces like – flower beds, voids, Lilly ponds & pocket terraces to buyers at market rate?

A: We respect the govt. rules and regulation, having said that, the builder fraternity would request for a higher FSI. The land being scarce, the need of the hour is to go vertical, and the opportunities ahead are unlimited. The prices in Mumbai have gone berserk, and recorded all time high. Only then, do I see any arresting of the prices. Meanwhile, with the development of infrastructure, even the basic amenities, sewage line, etc should be looked into by the respective officials at their levels. High on the agenda is for BMC to make their people organized, educated and have better understanding of the facts or local issues.

Since the new norms about builders to allot 25% for such open areas, a premium will have to be paid. (As per the govt. regulation). In different locations, economics work out differently, thanks to the other factors influencing the cost per se the equations one can yield over each office, since corruption is rampant, so a lion's share is demanded by respective personnel. It would have been good if the corruption could be legalised so that it doesn't become hurdle in our functioning, nor escalate our estimated project costs, which ultimately increases the cost for the end user.

Q 9: Series of loan scams were busted off-late by CBI, even top officials of financial institutions & banks were booked. Do you think this effects investors confidence?

A: The customers should have due diligence on the developer before any investing in the property, be wary of false claims. The customers can take out project information from websites or seek third party information. Also, they should check

the local authorities, BMC office for registration of the project, etc. I would like to appreciate Thane BMC, who are using the latest IT technology, and are the first ones to take initiative of getting all their records online, the leadership can do great wonders in transforming the society in to responsible citizens. The customer will surely be benefitted by such thoughtful act as it opens the doors of transparency and trust for customers benefit.

Q 10: What are the challenges & difficulties faced by you?

A: To construct world-class buildings, managing relationships with – office, contractors, authorities and at the same time seeing to it that the vision of holistic process doesn't take a back seat. The formalities in the govt. departments, corruption, malpractices, and long procedures are few of the difficulties which are faced by my builder fraternity. Also, we shall toil hard to keep-up to the growing expectations of our customers, and believe in total transparency and ethical business practice. But, when I look back from the dark days of hardships faced by my father when - unprofessionalism, corruption were the order of the day and aesthetics were not catered to. But today the customer's awareness levels have gone up, it's more organized and getting structured as a truly corporate entity.

Q 11: Any suggestions?

A: If every developer can communicate to their customers through their website, it would serve as good steps towards educating the customers. On the lines of RERA (Real Estate Regulatory Authority), if listing of all the projects of developers are registered under the govt., certificate of authentication issued to the developer who has complied to the specific laid down norms, if proper licenses are issued to the builder and maybe CRISIL could provide authenticity mark, then it will serve as great step in the greater transparency & respect to the unorganized Real estate Industry. There should be an entry barrier to be a builder, and the rules & regulations should be laid down so that there is better transparency for the customer to check the authenticity of a builder by his track record for screening the black sheep out.

Q 12: Plans about Harmony builders to get in luxury segment? Vaastushastra?

A: We are planning for a second home concept, Lifestyle projects, Villas. We are on the panel of CTBUH (Council for Tall building & urban habitats) conference. As a chairman & M.D of Ink Media, we had organized a conference with CTBUH As and when the project demands, then we do apply the principles of Vaastushastra.



100 Bed Hospital, Udaipur

Q 13: what is your one line vision & mission statement?

A: Building holistic environment, so people who live there are happy & proud to be part or to be associated with Harmony Lifestyles group.

INFORMAL CHAT

Who is your Idol - as an Individual? And as a company?

- As an Individual: Narayan Murthy
- As a company : Tatas

Any discoveries made:

“Opportunities are phenomenal, we should be able to manage relationships & balance expectations” - Founder & Group CMD, Mr. Deepak Jain

On Importance of Process:

Deepak says – “It shows that the company is aware and is sensitive. But, in structure and technology – India is still lagging 20 years behind. If we compare our country with a south east-Asian country like Singapore, the data will surprise us that - Singapore has x 5 times more cars than us, but still manages to be the greenest city in the world”. Now, “That is what I call the importance of process and managing challenges thereon”, he thunders.

On China:

We should have our own benchmarks, as local challenges are different from India

FDI in real estate:

Infrastructure is the next growth story of India

On the Bottlenecks:

Partners in abroad are upfront, here it is unorganized of the rules and mindset of foreign investors, and on-ground experience will make it a success.

HARMONY HORIZONS PROJECT OVERVIEW:

Harmony Horizons is a majestic residential complex coming up in the lush green, nature loving city, Thane. Strategically located at just 20mtrs off the main 250' wide concretized Ghodbunder Road, Harmony Horizons brings you the opportunity to live the fairy tale life, with contemporary lifestyle. Every moment spent here will be worth treasuring as it's replete with amenities & conveniences inside the flats & inside the complex as well as outside the complex such as schools, colleges, shopping malls, hospitals, restaurants, temples etc. With its towering height, no building shall ever obscure the breathtaking view of the mountains and greens.

CORPORATE CZARS VIEW:

In context of the above extract, now we understand from where Mr. Deepak comes from, also the trend of emerging NEXT-GEN thought leaders, and why Mr. Deepak has laid so much emphasis upon the need for process based wise thinking.. He sticks to the basics, is methodical and has his plan in place. He is a true soldier, observes great discipline, perhaps this holds the key to his success streaks. We quietly jotted the learning's from this meeting with Mr. Deepak in our “wisdom book” (wherein we record individual traits of successful head-honcho's of the Industry as case-studies, observe - why few individuals are class-apart from others, and what goes into making them a WINNER...)