

Making dreams come true

SUNEET SAWHNEY



Snehdeep Aggarwal: building dreams

Bhartiya group seeks to set standards in planning and implementation

As giant excavators empty out the earth, exposing layers of rich red soil and rock layers of the earth, created over the last few million years, it is difficult to visualise that one day in the near future this will be the site of residential and commercial high rises. Yet, standing atop a high rise in Thanisandara, near Hebbal in Bangalore, Arjun Aggarwal invites you to do just that.

His father Snehdeep Aggarwal's dream project, which is also touted to be the largest such within a city municipal limits, has started taking shape. Announced late last year, work on the 128-acre project had started well ahead of the announcement – which itself is a rare feat in the world of Indian real estate, known for delays in completion of projects.

Work on phase 1 of the mixed

use project is in full swing, which is scheduled to have 3.2 million sq ft of residential, 600,000 sq ft of office space, 700,000 million sq ft of retail and 500,000 sq ft of hotel space. When finished, it is slated to provide 20 million sq ft of built-up space. "We are trying to work in a new way," asserts Snehdeep Aggarwal, chairman, Bhartiya group. The group's planned investment is about ₹10,000 crore (\$2 billion), but it hopes the project will have a value of ₹20,000 crore by the time it is finished.

Development calls

Snehdeep Aggarwal wants a city where people can sit and chat in lawns, go to school nearby, kids can run around freely, climb trees and know the nearby ice-creamwalla. Perhaps, it is harking back to the past of

Indian neighbourhoods, combined with a touch of American suburbia, but his dream is surely taking shape.

The Bhartiya group, which began in 1980 in apparel and fashion, has its presence in global capitals now. It has entered a whole new arena with Bhartiya Urban, which started in 2003. "Development is a serious business. It is how we live, how our lives happen." Aggarwal admits he was influenced by the extent of planning in Europe. "I do not see the difference between a garment maker and city maker, both are social sciences," he says.

Aggarwal has taken the planning in Bhartiya City, officially called City of Joy, seriously. Bemoaning the lack of planning in India, especially local planning, he stresses that there has to be a process in planning. He also decries the over-dependence on the state, even as he points out there is no availability of long-term capital

for financial planning. He, however, cites the example of the IT sector, which also largely developed without the support of the state. "Once the development happens, the state support will come. I have become an urban planner by fluke," stressing also the importance of planning completely right at the beginning. "The project is unique, being extensively design-driven," says Sasi Madathil, CEO, Bhartiya group, who has had a long experience in the industry,

having worked with real estate and logistics sectors, both in India and abroad.

Bhartiya City, in the works for about five years already, is breaking new ground in the sector in various ways. One of the major initiatives is branded homes, which will be branded as Nikoo Homes (see box).

The greenfield project's major advantage is its location within the Bruhat Bengaluru Mahanagara Palike (BBMP) limits, which has simplified a

number of procedures for the developers. "A French firm had done urban planning for the city on behalf of the government in 2008, and in that it was decided that any development above 100 acres could decide land use," says Aggarwal. Land acquisition is complete, and this is giving the group the confidence to complete the project on time. Construction on the first phase of the project is on, and the work is expected to be complete in the next three to four years.

In its efforts to up the level of home purchases, the Bhartiya group has a plan to make homes 'branded', a project they hope to take well beyond the upcoming Bhartiya City. The brand, called Nikoo Homes, is a new residential development project, offering studio and 1/2/3 BHK luxurious apartments of 760-1,917 sq ft. The current development has 2,415 apartments. This includes apartments, lofts and penthouses spread over 10 towers. Planned by global architects, these homes seek to present new standards in exteriors and interiors.

Branded homes globally are generally aimed at the upper economic classes. They are also generally for those who are short on time and do not really want to spend time dealing with the daily hassles of home management. While a number of

Branding homes...



An artist layout of the 128-acre Bhartiya City

branded residences are coming up in India, notably the Yoo Philippe Starck-Panchshil development in Pune, most are aimed just at the luxury sector. Bhartiya is looking at a much more middle-class market for these homes.

At Bhartiya City, Nikoo Homes will be nestled

amongst a multi-use development zone. Arjun Aggarwal points to features already in place, such as high-tech pavements, that also double as cycling tracks and docking stations. The light poles will also be communication devices. "We leveraged our Italian connection and decades of

experience in design to bring you fitted kitchens in every Nikoo home and also offer a stylish, affordable interior solutions package," he says. Every Nikoo home comes with a private deck, which can accommodate six for dinner. There will be gardens on different levels.

Given its mixed use development, the IT District is slated to be five minutes away, separated from the residential sector by a central park. Across the street is the Leela Hotel, cinemas, a high street retail space, an entertainment district, a hospital and an international school. Special touches include features such as cinema pods to enable screening steps away from home. Another stunner should be a meandering green walkway connecting all towers on the 17th floor, with a rooftop AI Fresco restaurant. ♦



A sample room: highlighted by largish balconies, The Bhartiya's: confident about the modular kitchens



Bhartiya boulevard.....

The final completion of the project is slated to take about eight years.

The location, in the north of the city, is also seen as one of the emerging areas in Bangalore. Karun Varma, managing director, Bangalore and Kochi, Jones Lang LaSalle India, says, "The best performing areas in 2012 were Hebbal, Sahakar Nagar and RT Nagar in north Bangalore. These locations saw the highest

demand and appreciation during the year. The improved infrastructure in this region, its proximity to BIAL and overall enhanced connectivity helped north Bangalore to crystallise into a much sought-after residential destination."

Avinash Rao, regional director, south, Knight Frank, agrees, saying the north of the city was an area of active development, helped by the

presence of the airport. "If all the planned development for the north goes ahead, the north will see an escalation in projects." He points out that proximity to the airport is a plus for the Bhartiya City project. Infrastructure initiatives in various stages of construction and planning there include a proposed high-speed rail link, the Hebbal-Yelahanka Expressway, the elevated expressway to BIAL and the proposed advent of the monorail. The Outer Ring Road (ORR) is scheduled to pass through the middle of the Bhartiya City. Rao also expects that, with the improvement in the general economic outlook, there will be a great deal of traction in the Bangalore market, including residential.

Planning challenges

Financial planning has been a challenge for a project this size, estimated to be worth ₹20,000 crore by the time it is complete, despite Bhartiya's tie-up with IL&FS, one of India's

The Bhartiya group's core lies in fashion. The group, established in Sneh-deep Aggarwal, an avid traveller, started with just ₹5,000 and a dream. He began with experiments of sale of knotted carpets to Germany, the then centre of carpet retail in 1978. By 1980, he formally started his company by exporting carpets, followed by leather accessories.

Success came soon, but it coincided with unrest in Punjab, and had to move his base from Amritsar to Delhi in 1987. "We soon began understanding the business and realised that the Chinese model was producing efficiently and quoting the lowest price," he says. "Western brands wanted factories in Asia to lower costs, though most did their own design. We set up an office in Switzerland, created a collection and began visiting brands." He recollects that he returned to India to set

Fashionable antecedents

up factories, realising that the south of India was far more organised, and set up a factory near Bangalore. At the time, if Chinese factories were about 98 per cent efficient, for Indian factories, the comparable number was about 50 per cent, says Aggarwal.

The company went public in 1994. "We didn't raise much money, but we had aspirations," remembers the founder. By 1997, we were the largest leather apparel company and in 1998, opened a factory in Florence. "In Italy, we learnt about the importance of fits, that a fashion fit allows you to feel younger, that Chinese pig skin, sold at \$25 at origin, became worth \$300, with the addition of Italian design." He stayed for about four years in Italy, and says the period provided a great learning for design and

fashion. "Italy allowed us to become manufacturers and, today, we have design studios in Delhi and Milan."

Another step-up happened when the group acquired Ompel SpA, a \$1.3 million Italian leather & textile garments and accessories, which took the company into the luxury category. This was followed by a company registered in China, "as the market wanted certain products at a certain price. These acquisitions gave us a sense of global fashion business," says Aggarwal.

The group today supplies to top labels such as Massimo

Dutti, Hugo Boss, Trussardi and Zara, and has a capacity of leather apparel production of 500,000 pieces a year out of China and India each. Listed on BSE and NSE stock exchanges, it is the country's largest leather apparel & accessories manufacturer – a leader in leather, finished leather & textile garments and accessories, with its turnover of fashion business in 2011-12 touching ₹235 crore and a retail product value of over ₹600 crore. Bhartiya International is currently trading at ₹176.55 on BSE and has a market cap of about ₹195.33 crore. It declared a profit of ₹17.83 crore in March 2012.

One aspiration remains – and that is to enter the Indian fashion business market. ♦



leading infrastructure development and finance companies. IL&FS holds 26 per cent in Bhartiya Urban, while the group promoters have a 44 per cent stake in it. The remaining 30 per cent is held by Bhartiya International (also part of the group). Bhartiya City is a 100 per cent subsidiary of Bhartiya Urban. This is not a listed company yet, nor has it announced any such plans, but such an eventuality cannot be ruled out at some later stage of this project. Funding for the project has been through a mix of accruals and debt.

The city is divided into eight precincts, which can function independently, or combine well to form a single entity, when the entire project is complete. Project managers are at pains to point the proximity to the Manyata Tech Park, one of the largest concentrations of IT professionals, which is about 4 km away. The distance to the city centre on M.G. Road is about 13 km away, which (once the traffic congestion is addressed through the upcoming metro line) should be easily accessible.

Also, a ring road for Bangalore, yet only planned and approved, is expected to bisect the city, significantly improving linkages. The whole project is likely to be completed in eight to 10 years. The township is master-planned by Perkins Eastman from New York and the architects for industrial buildings include Broadway Malyan from the UK/Singapore; RSP, Bangalore; and Edifice, Mumbai.

Project with a difference

The first phase will see about 2,400 homes up in towers up to 29 storeys, in about three years, though ultimately about 6,000 homes are planned. These homes have been priced around ₹28 lakh-1.3 crore. That there is consumer support is indicated by the fact that 800 apartments were booked in the first two weeks. The second booking of apartments started in January 2013. The group also started selling internationally at Dubai earlier this year.

The Nikoo Homes come in units of one, two or three bedroom-hall-kitchen (BHK) options and the developers are highlighting the use of



Arjun Aggarwal: impressed by town planning in Europe

materials, such as Italian tiles and superior design in the sample flats on the site. The main street is complete already, and has innovative features such as street-lights that multi-task as surveillance cameras and wi-fi ports. The already constructed streets are pedestrian-friendly and have cycle stands, which are today incongruously complete even as the buildings are yet holes on the ground. Arjun proudly points to the high degree of aesthetics and inbuilt sophistication to underscore that this will be a project with a difference. The stress is on customer-centric design, which addresses the family requirements of each Indian family, whether it is nuclear one or one with grandparents, or with grandparents nearby.

The group, in partnership with the Leela group, will also operate a 300-room hotel, which is planned as part of the project. It will be the Leela group's second hotel in the city, after the Leela Palace. The cost of the hotel is expected to be about ₹250 crore. Leela group's C.P. Krishnan Nair had long dreamt of making an international convention centre in

Bangalore, and has eagerly embraced the idea of participating in Bhartiya City. Saying it was a great honour to join an entrepreneur like Aggarwal, he says the Leela group would contribute to make it 'a unique city'. "The concept is superb," he says, adding that "the location is ideal for a lifestyle city – midway between the airport and the city."

Both Aggarwals, Snehdeep and Arjun, are passionate about the project. Fans of urban planning, they want to set new standards in urban planning in India, admitting that such new ideas have been overlooked in many projects across the land. Project managers have been active behind the scenes, as the team seeks to bring some of the best experiences to the project – domestic and global. Well, the legendary musician Santana was at hand to launch the project, and give it the high-profile launch it needed. Given the initial consumer response, both in November and in the second round in January, this city seems destined to bring joy for its residents – and set new standards for real estate projects in India.

♦ SUMAN TARAFDAR