

Setting a trend

A niche player, Vedic Realty changes the concept of modern living



PHOTOS: SAJAL ROSE

Modi with his son: innovative projects

While the real estate industry has been struggling with flat growth for the last few years, the closely-held, Kolkata-based Vedic Realty Private Limited, promoted by Raj Modi, is quietly strengthening its business, by offering niche products. Well-thought-out business sense has always helped the company to remain a significant player in the segment. Now, the management has a vision of taking the company to new heights. “A niche project, with the right pricing, always has a market even during a downturn,” says Abhijit Das, real-estate consultant & former managing director, Cushman & Wakefield, East, India. “Vedic Realty has always proved that. It is a pioneer in the niche market”.

Vedic Realty, known for its out-of-the-box thinking, is now setting up an integrated township in phases, with an 18-hole golf course to go with it, called Greentech City. Located in the northeastern fringes of Kolkata, this will be the third largest golf course in the city, after Royal Calcutta Golf Club and Tollygunge Club. The township will have residential units of lower and premium categories.

Modi is a success story, worth repeating. He was born in a business family in North Calcutta. His father was in paper trading. He studied in St Xavier's College and began by helping his father with the business after college. Modi was ambitious and, after some years of running around in paper trading, realised that this is not his cup of tea. What he wanted to do was start his own business.

Inspired by his cousin who was involved in the real estate business in Mumbai and doing well, Modi decided to get into real estate in Calcutta. But he had a clear plan to do things differently. He began when he bought land at Lee Road in Central Calcutta, funded by loans from his father and the market. He then set up Vaibhav Shopping Plaza and Sumangal Housing Project together in a total of 100,000 sq ft area in 1984, under his company Sanjivani Projects Private Limited, which he later renamed Vedic Realty. The word ‘Vedic’ comes from his signature project – Vedic Village.

“Vaibhav was the first shopping mall in Kolkata,” claims Modi. “It was inspired by the Air-Conditioned Market, which was the only market

building with shops in Kolkata and was not much organised. So, I felt the need to set up a proper shopping mall with restaurants,” recalls Modi. The market noticed his move and appreciated his vision ahead of time. He remembers how he had to refuse Kishore Biyani of Future group, when he approached him to rent 300 sq ft space to set up Patloon (now Pantaloons).

The real estate market in Calcutta at that time was growing around central and south Calcutta. Modi was one of the few developers who decided to focus on the northeastern part of Kolkata, which was closer to the airport. He realised the future growth of the city will be around the new town at Rajarhat.

The company developed a club town complex with a total floor area of 500,000 in 1995. It was the first residential complex in Kolkata, with club facilities – a model, which was later followed by all large developers in the city. By then, the residential property in Kolkata North had appreciated considerably. Over the last quarter century, Vedic Realty has gained a reputation as a builder of landmark projects, such as Club-town, Circle Club, Space Town, Space Circle, Vedic Village, among many others, for middle and higher income groups. “Our aim is not to build run-of-the-mill concrete structures for living. We try to create a pleasant impression for the community living in the projects,” says Modi.

Vedic village

Vedic Realty so far has built about 7 million sq ft. The company has achieved 20 per cent CAGR for the last five years and has a turnover of ₹580 crore today. Chairman Modi, 56, holds the fort and is the repository of wisdom and advice, while his son Uday, 32, who is director, Vedic Realty, is the energy house, always looking for new opportunities in business.

Vedic Village, the company's flagship project, had transformed it into a pioneer in the lifestyle and hospitality sectors. Traditional rich Bengali families in Calcutta used to

have *baganbari* – a country house for spending quiet weekends. The *baganbari* style fell into decline during the Naxalite unrest of the 1960s and the '70s. Modi has been the main mover in reviving the *baganbari* tradition or 'the second home' concept with the Vedic Village, which he set up in 2003. The village, a 25-minute drive away from the airport, is a sublime retreat, unique in its ambience of tradition, art and nature. It is a place to get away from the stress and strain of urban life, when one has to find solace in nature.

The Vedic Village comprises residences, a resort and a wellness centre. "Since 2003, till the last year, we have built 600 units of farm-houses, eco-homes, lake-front homes, aqua-homes (with rooftop swimming pool) and whirlpool homes in phases around the resort over an area of 150 acres," says Uday. These units were priced ₹28 lakh-₹4 crore. Each of the homes comes exclusively furnished and offering a sense of openness. Deepak Adhikari (Dev), a leading actor in Bengali cinema and an MP from West Bengal, owns one of the aqua homes, where he likes to drop in during the weekends. "The place is quiet and close to nature; yet, it's only an hour's drive away from the city, which makes it a perfect destination to unwind." Vedic Village was designed by architect Rajiv Agarwal from Delhi.

The resort offers contemporary comforts, while retaining the earthy and ethnic looks. It has got 77 units, with 220 more from rooming pool, on revenue sharing with the house owners at the village. The architecture is inspired by villages or ashrams. The roofs of all structures, including the lobby, are thatched in the traditional way, with steel structures, covered with bamboo, giving it an ancient (vedic) look. It has been created by an artist from Shanti Niketan. "The resort is a popular destination among corporates for training, conference and seminars. Tata Steel, ITC, HLL, CESC, IBM, Wipro, Cognizant, Asian Paints, *et al*, are our coveted clients," says Suparna Sarkar, general manager of the resort.

Sanjeeva Medical Spa at Vedic



Prateek at Boat Homes, Greentech City

Village is an NABH accredited wellness centre and has the largest range of health, wellness and fitness facilities through a range of ayurvedic, natural wellness and feel-good therapies. "We have got expert therapists mostly from Kerala. Guests are also educated about their health situation and shown practical ways to improve their diet and lifestyle," says Prabhat Kumar Bal, senior ayurvedic physician & RMO. Alfred Ford of Ford Motor and his wife Sharmila visit the Vedic Village and spa every year to enjoy their hospitality.

Always innovative

"It was difficult to develop something at a place, which has no infrastructure. We started buying land from 2000 and, after a lot of planning, decided to create the village," says Modi. "Vedic Village is an awesome property. It is now the most happening place in the city. Modi has vision and, as a developer, scores high," says Das.

The USP of Vedic Realty is 'always be innovative'. Modi prefers to do projects in phases. Harshavardhan Neotia, chairman, Ambuja Cement and a reputed developer in the city, agrees with the business scheme of Vedic Realty. "Doing projects in phases always helps to deliver quality products. It is a good move by the company."

The major advantage of Vedic

Realty is its 800 acres of landbank, which the company has created over the years. In 2009, it got bad press for alleged involvement with a political henchman, who has been grabbing land from unwilling farmers.

The new Greentech city is being developed adjacent to Vedic Village on 130 acres of land. In the first phase, it will have about 2,500 units of different categories and sizes – golf grove villas, aqua golf villas, boat homes, smart homes, Terrace Heights, Duplex Natura, eco homes and spa suites. "Our target is to serve all segments of people – lower, middle, and high income groups, as well as the premium segment. The units are priced ₹12 lakh-₹4 crore, depending on the type of homes." says Pratik Tulsyan, director & equity partner, Greentech City. While the 1 BHK eco homes cost ₹12 lakh, a golf grove villa will go for ₹4.5 crore.

The golf course will be built on 140 acres of land. "For the first time, a township will have an 18-hole golf course, which is unique for the city. We will promote golf tourism too. The golf club will also have non-residents as members," says Uday.

The construction of the Greentech City project started two years back. The company has already invested ₹500 crore for the project. The entire project of 2,500 units will be ready in the next two years. However, the company will hand over the project only in a phased manner, so that it can plough back the money from the sale and complete the rest of the project. "Our project is receiving an overwhelming response and 80 per cent of the units have already been booked," claims Modi. He says at the moment they do not need funds. They have a large land bank and a strong balance sheet. They may consider to go public after 4-5 years.

Vedic Realty is aiming to achieve a turnover of ₹1,200 crore by 2018. If Modi continues in this fashion, the company can be said to be in good hands for decades. Only then will the quality of the next generation be tested, as the old generation fades away and Uday comes to the fore.

♦ SAJAL BOSE

sajal.bose@businessindiagroup.com