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Log on to Indian business

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Bangalore suburb to be \$2.9 bn smart city

Maitreyee Handique / New Delhi September 27, 2004

Canadian firm bringing in largest FDI slice in real estate.

It is the biggest foreign direct investment in India's real estate sector. Vancouver-based Royal Indian Raj International Corporation ([RIRIC](#)) will invest a staggering \$2.9 billion in a single real-estate project named Royal Garden City in Bangalore over a period of 10 years. The retail value of the project is estimated at \$8.9 billion (Rs 41,000 crore). The country's first web-enabled "smart city" will be spread over 3,000-5,000 acres and will be located 20 km from Bangalore city near the new international airport. The project is expected to build 35,000-50,000 houses, a business district and educational facilities, apart from state-of-the-art medical, shopping and entertainment infrastructure. It will also house an aquarium, golf courses, botanical parks, stadiums and multiplexes and an estimated 300,000- 500,000 people are expected to live, work and play within the city daily. Last month, the company received the Foreign Investment Promotion Board's clearance for the first tranche of investment of Rs 179 crore. Billing it as the largest building project in Asia, Manoj C Benjamin, CEO and chairman of [RIRIC](#), told *Business Standard* from Dubai: "We will be exporting modern technology to develop a New India. Unlike Taiwan, Hong Kong or Dubai, India does not have a modern city enclave. What we want to do is to bring in the most advanced urban infrastructure and modern amenities to the Indian market." Construction is expected to commence early next year and will be completed within 10 years. That is just for a start. The Bangalore project is the first of four [Royal Garden Cities](#) that [RIRIC](#) plans to build in India. The three others are expected to come up in Mumbai, Delhi and Kolkata. The Mumbai project would be launched in the beginning of 2006 over 5,000 acres of land across the harbor from the Gateway of India, Benjamin said. Most of the activities will be undertaken by Royal Indian Raj India Enterprises, its 100 per cent Indian subsidiary. While Jones Lang LaSalle has been selected to manage transactional services and market the product globally, the master plan and the urban design for the Bangalore project will be executed by CPG Corporation. Previously called the Singapore Public Works Department, CPG Corporation had built the 'Singapore City' and is keenly looking at India to expand its business. In what he described as an "East-West economic fusion", Benjamin, who is based in Canada, said: "While the majority stake in [RIRIC](#) is with the family, we have a global consortium of world class builders and developers. We have credit and equities with large international finance institutions." The bidding process for the developers will be finalized in January next year. Benjamin's father, Collin Benjamin, left India in 1962 and went on to found several real estate brokering and finance mortgaging companies like Colben Real Estate and Shammah Investment in Canada. The company has expertise in building apartment buildings, shopping malls and office complexes. [RIRIC](#) was incorporated in Nevada, US, in 1999 and has offices in London and Vancouver. Benjamin said presale interests for the Bangalore project had already started pouring in. "We are currently reviewing these enquiries. Most of them are from NRIs all over the world who wants to come

back to their homeland.” Describing the project as a “labor of love”, Benjamin said: “This is one way to enable the Indian inhabitants to be globally competitive.” Benjamin also said about 50,000 people would be employed in each city with forward linkages with 269 companies that will form part in building the country’s first compact sub-city within a city.

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