

# The world is its oyster

What does it take to set up a city that is envisioned as a self-contained work and living space? BrandLine visits Mahindra World City near Chennai to find out.

VINAY KAMATH

The contrast couldn't have been more striking. On one side of a neat tarmac with immaculate landscaping alongside is the Canopy, the Mahindra World City's (MWC) favourite hang-out spot with banks, ATMs, food courts, book stores et al. Across the road is barren land awaiting further development, taken overrun by thorny scrub and grasses foraging in bushes. But, the buzz of hi-tech activity in corporate India's first operational special economic zone across three sectors, IT, auto ancillaries and apparel and fashion accessories, is a far cry from that pastoral scene.

Spread over 1,550 acres, with the vast and picturesque Kolavai lake abutting it, and just off a national highway leading from Chennai to the southern cities of Tamil Nadu, the integrated business city with work and living spaces is evolving as more world-class companies gravitate towards the park and vast residential spaces are getting built. With the Mahindra group also moving its automotive research centre to this park, this centre will be cheek-by-jowl with the likes of BMW, Infosys, Wipro, Mindtree, Timken and the TVS group and many more.

With the 50th customer signed on recently and expecting further MNCs to sign in, MWC expects investments to grow to Rs 5,000 crore in the next five years. The exports are expected to be Rs 2,300 crore for FY10. Already, around 20,000 people are employed in MWC, several thousand of whom commute the approximately 50 km from the city; many use the railway station that MWC has developed along with the Southern Railway. With 325 acres earmarked for social and residential infrastructure and an eventual planned community of 6,000 families, Mahindra Lifespaces has embarked on a second high-end residential complex on the lake's edge.

On a whirlwind visit to a few facilities such as Timken, Brakes India and MindTree, where this writer interacted with senior executives of these companies, most were happy with the experience of being in a facility they described as 'world class'. But, even being in a cocoon of cutting-edge facilities, some buggers won't go away, such as power cuts, which a few executives lament could take the sheen off the park. Then there are the gripes about public transport to the facility not being enough.

But eventually, muses Sangeeta Prasad, COO, Mahindra World City Developers, who spent over two hours for the Park over two extensive conversations with this writer, MWC shouldn't give anyone reason to commute to the city.

With a planned business hotel, a hospital and perhaps even a cultural centre, MWC,



she says, could be the place to work, live and recreate. Its success has spawned the idea for another expansion in TN while another business park by the Mahindras has been developed in Jaipur. Excerpts from the interviews:

**You have just hit the 50-companies-on-site mark. What has attracted global companies? What's been the differentiator?**

Yes, we just turned 50 and are striving for more! Our 50th customer is Tridion, an Australian company which makes stampings for the auto sector.

Global MNCs are looking for an environment which has infrastructure and ambience that is reminiscent of that back home. (Land is leased for 99 years by the companies.) MWC offers a holistic ecosystem including social and residential facilities in a composite work-live-learn-play environment. The corporates find it a convenient and comfortable place to set up shop as they need not worry about getting the infrastructure and utilities and can concentrate on jumpstarting their business.

**Now that MWC has evolved over the past decade, what's been the mix of companies in the SEZ part as well as the domestic tariff area (DTA)?**

More than 50 per cent of the customers are global companies from Europe, Asia and North America, including such corporate giants as BMW, B. Braun, Infosys, CapGemini, Parker Hannifin, Renault-Nissan, Timken Bearings, Lincoln Electric, Tesa Tapes and

the TVS Group among others. They are best in class in their domain and mostly market leaders. Most of them are looking forward to an environment which is a global destination and has "good neighbours" around. They are looking at a reliable developer who can provide "clean" lands, core infrastructure, relevant utilities and in-house operations and maintenance so that they can concentrate solely on their business.

**What's next now that the SEZ part is fully occupied and the work area in the DTA has only a little more land to offer?**

There is a demand for work spaces as the markets are picking up and we are in the process of acquiring 100 acres. The processing area of the SEZ is fully occupied. The team is focusing on creating the other building blocks, the residential and social infrastructure as ultimately we envision a place which offers the occupant a "walk-to-destination" ecosystem.

**What are the kind of companies that you will target to expand operations in the DTA, for the land you will be acquiring? More MNCs?**

The definition of MNC has changed. Indian companies are emerging as global corporates. We will target global companies who are looking at setting up operations in India.

**So, how are you communicating to these companies world over that you are there?**

You are aware that MWC has created mindshare amongst the global customer

constituency and we have various interested corporate, country and trade delegations who visit us. We also have very strong customer referrals. We also reach potential customers and investing countries. Also, through trade consulates and chambers of commerce and international property consultants who have global mandates from customers coming in from abroad. We also participate in several national and international expos and conferences that are conducted through the trade bodies. Some time ago we were in Berlin at a law convention. It was a good convention to be at because companies have lawyers who have mandates for investing.

**How are you evolving an integrated township and at what stage is it?**

MWC strives to create a holistic development with all the building blocks of work-live-learn-play.

The master planning has been done to demarcate the working and living spaces yet maintain them in close proximity. A total of 325 acres has been earmarked for the residential/social spaces. MWC, New Chennai, has attracted over 50 customers from across the world. Currently 32 companies are operational and over 20,000 persons work out of these operational units at MWC, New Chennai. The three SEZs achieved exports worth Rs 2,300 crore (FY 2010). The total investments were around Rs 2,500 crore till April 2010.

Of the 325 acres, 240 acres are dedicated for residential infrastructure. Spread over 22



acres Sylvan County, the first premium residential enclave, consists of 220 multi-format homes (apartments, semi-independent homes and luxurious independent villas) supported by a club house with recreational infrastructure. Currently, over 140 families live within Sylvan County. Aqua Lily, the second premium residential enclave, will consist of over 750 homes over 55 acres. The Canopy, MWC's first commercial complex, has over 15 retailers and service providers. Spread over 60,000 sq.ft., over four blocks, the Canopy has a medical centre, a food court, banks and ATMs, a book store, a travel desk and other conveniences that people would need on a day-to-day basis.

Mahindra World School, a co-educational school based on the CBSE syllabus, is functional and caters to the schooling needs of the children of MWC employees/residents. A day-care centre is also part of the facilities provided.

In addition, World City also plans to include a business hotel, accommodation for single working professionals, sports and recreational facilities multiplex, a shopping mall as part of the master plan.

MWC has undertaken several social engineering initiatives for the revamp and upkeep of public utilities in the area. Paratur Railway Station, which falls in the World City campus, is India's first railway station developed as a public-private partnership between MWC and the Southern Railway.

**'Superior ecosystem': See Page 3**

**At home:**

Sangeeta Prasad, Chief Operating Officer, MWC; (Centre) The Infosys campus at the IT SEZ; (Right) The Paratur railway station jointly developed by MWC and the Southern Railway

# 'It will offer a superior ecosystem'

... continuing the conversation with Sangeeta Prasad, COO, Mahindra World City

VINAY KAMATH

**What kind of models did you study worldwide to evolve MWC as it has now?**

We have studied models across the world, but the emergence of MWC was evolutionary in nature. While China has pursued scale as its way forward, we are endeavouring to create an integrated business city which will offer a superior ecosystem and a desired way of life.

**How are you catering to the social needs of the society forming there?**

The master plan provides for a school, business school, business hotel, hospital, sports complex, dwelling facility for single working professionals, hospital, malls and multiplexes and other recreational infrastructure, which will be developed in phases over the next few years. We are exploring the possibility of MWC as a hub for culture. The city provides the ambience and the open spaces for a cultural destination. The challenge is to weave all the elements together and ensure that they do not become discrete unconnected spaces.

**What about issues such as power availability? I understand that at times that is an issue?**

The TNEB has set up a 230 kv substation on the land provided by MWC and currently the power is distributed by TNEB. Some of the things that are bandied about such as solar energy, energy-efficient systems, will become hygiene factors in the future and we would like to get there before it happens. However the commercial viability of such ventures is critical.

**And, who will pay the buck?**

Some of these initiatives which require a huge cost outlay is discussed with our customers and then implemented. Based on the decision taken we would in certain cases make an investment upfront and in others work out with our customers on a joint basis.

**And, how has MWC integrated with the local community?**

As part of its CSR initiatives, MWC, Chennai creates sustainable economic development by providing job-oriented training for youth in the neighbouring villages and community.



At the Timken plant at Mahindra World City.

— BIJOY GHOSH

Mahindra World City has enlisted the expertise and support of the NGO, CAP Foundation, for this pursuit. Some of the major initiatives undertaken as part of CSR include the Employability Training Centre.

It has a training programme aimed at providing market-oriented employability skills and placement support for the benefit of youth from nearby villages and contributing to long-term sustainable economic development, thereby providing end-to-end livelihood solutions using the Business Mentor Network. Over 900 students have been trained as part of this initiative since its inception, with a placement rate of over 80 per cent. The programme is expected to reach out to several more youth over the next two years.

Teen Channel is a programme that reaches out to youth who opt out of school, as well as potential drop-outs between the ages of 13 and 18 years and provide them a holistic education module which enables them to complete high school level academic certification. Life skill modules and the career exploration opportunities are also embedded in it.

The Teen Channel attempts to connect learning and livelihood for out-of-school and post-high school people between 13 and 18 years. Around 500 students have enrolled so far as part of the Teen Channel initiative with a success rate of over 75 per cent.