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Farmers to millionaires

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Narasinh Lagad and Samir Jadhavrao's eyes are gleaming with hope. They are paying a visit to relatives at the nearby Magarpatta township, which was just farmlands for seven years.

Today, those sugarcane fields have given way to shiny glass buildings, row houses, bungalows and landscaped gardens complete with well laid out roads. The inhabitants have since given up farming and now run businesses.

And the former farmers now drive fancy cars. Lagad and Jadhavrao's family are among 150 others in the Nanded village near Khadakvasala in the outskirts of Pune, who have signed away 700 acres of ancestral land for development. They too hope to run businesses and drive gleaming new cars.

They are not alone. Several villages near Pune have decided to follow the way Magarpatta has shown and develop their farm land into glitzy urban hubs.

This is how the revolution began. In 1999, 120 farmer families in Magarpatta pooled in 400 acres of land and formed a new company to develop their farm into a modern township.

They were willing to forego Rs one crore of annual farm income and instead invest their savings to kickstart their cause.

They became developers. Led by their leader Satish Magar, they planned and constructed a township on their village land.

The township now has dwellings and office spaces largely leased out to BPO companies. There are over 5,000 apartments and over three million square feet of office space, all occupied. More space is being created.

Their company, Magarpatta Township Development and Construction Company (MTDCC), derives its income from selling flats, leasing out office spaces and also earns from maintaining the township.

It manages the internal water and power supply and garbage disposal. The farmer families run businesses to maintain the township.

Today, MTDCC has assets worth more than Rs 1500 crore. Last year MTDCC's turnover stood at Rs 500 crore and the collective turnover of the farmer families amounted to Rs 250 crore.

While these companies paid an advance tax of Rs 11 crore last year, each of the 850 beneficiaries in the 120 families are assessed for tax now. Ten years ago, there was not a single tax payer in Magarpatta.

Shankar Magar, who alongwith his two brothers once earned a meagre Rs 75,000 per year from their 15 acres, now runs an excavation business that makes Rs 1 crore per annum.

And every time a flat is sold in the township, Shankar gets his share in proportion to the 15 acres he gave MTDCC in 1999. Shankar drives a white Ford Icon and is building a bungalow within the township.

Piraji Magar, a commerce graduate, has come a long way from his distillery job that paid him Rs 5000 per year. Piraji now runs a partnership firm with four other Magars to make reinforced concrete columns.

His company employs more than 100 workers, of which 25 are engineers. Piraji has bought a new Toyota Corolla and lives in a bungalow that grows exotic fruits.

Piraji had not even seen a tennis racquet before 1999 but now plays the game on weekends with his daughters at Magarpatta's Nandan Bal tennis academy.

He says, "There are times when I come into my own house and feel I may be dreaming." For long, Magarpatta had been eyed by the government and others because it was just five kilometers from the heart of Pune.

Since the '60s, the village had been resisting all attempts to take its land away. But by the early '90s, the city began to slowly score small victories over the Magars.

As industrial activity around Pune swelled, the Magars found it tough to find farm hands to work in their field. High costs of fertilisers, bank financing and transportation ensured that Shankar Magar and his two brothers made only Rs 5,000 per acre annually from sowing sugarcane, cabbage and cauliflower.

Some Magars started selling their land under pressure to keep their family running. They sold bits and pieces to developers and seemed to prosper for a while.

The break away Magars also put pressure on the rest of their clan telling them it was foolish to hang on to their land.

In 1993, 120 Magar families met and decided to put their land to use rather than sell it. Says Piraji Baban Magar, who was in his early twenties, when the meeting took place: "We were farmers by legacy and there was nothing sacrosanct about it. At that time, the prospect of doing anything other than agriculture seemed fascinating."

Two things influenced the Magars to make the unprecedented decision to become developers of their own land. Farmers who landed huge money from selling their lands often ended in penury.

Also, the Magars were aware that they were not qualified enough for any job. The older Magars, in their 40s and 50s, could hardly read and write while the younger ones did not have the "finnesse" for a good office job. Says Satish Magar, "For land owners, it is also not easy to work in an office atmosphere taking orders from others."

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