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Healthcare Consultants**

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For more details, contact:
**Global Strategic Consultants,
Chennai, Tel. 9384836698.**

CHENNAI PROPERTY

**Triplicane Vyasaraaja Mutt
Triplicane, Chennai**

Sri Vyasaraaja Math is one of the three premier Dvaita Vedanta monasteries descended from Jagadguru Sri Madhvacharya through Rajendra Tirtha and their disciples. Vyasaraaja Math, along with Uttaradi Math and Raghavendra Math, are considered to be the three premier apostolic institutions of Dvaita Vedanta and are jointly referred as Mathatraya. Chennai's Triplicane based Vyasaraaja Mutt development work has been undertaken and the construction cost has been estimated at Rs 2.5 crore. Devotees are requested to contribute their mite for the noble cause.

Contribute through GPay No. 9789990188
Call Mr N Ramakrishna Achar on 9940317614 or 9444802951 for more information.

August 2025

A monthly edition

Volume 14 Issue 8 Rs. 15

TRENDS

Australian Modular Construction Technology Set to Transform Housing Market

■ V NAGARAJAN



India's construction sector is on the brink of a technological shake-up as Australian innovation promises to address critical housing and project delivery challenges. Modular construction could be the game-changer the country urgently needs.

India is facing a significant housing shortage, particularly in the affordable housing segment. The current shortage is estimated at 10.1 million units, and is projected to reach 31.2 million units by 2030, according to CII and Knight Frank India survey. This shortage is driven by factors like rapid urbanisation, population growth, and a decline in the supply of affordable housing units.

Industry analysts note that despite hundreds of projects being announced, delivery timelines are often extended due to labour shortages, rising material costs, and approval bottlenecks. This delay has direct implications for housing affordability, rental price stability, and the ability to keep pace with investor demand.

Enter Modular: Housing Units Built Indoors, Delivered Ready-to-Use

Around the world, modular apartments and villas are proving to be a viable solution to such demand-supply mismatches. Built in climate-controlled factories, transported to

site, and assembled in record time, these units eliminate weather delays, reduce dust and waste, and slash labour requirements.

In Brisbane, Australia, a 12-storey residential tower was completed in just 21 days from concept to completion — a feat previously unthinkable in conventional construction, thanks to pre-engineered volumetric construction (PPVC), a technology pioneered by Australian Robotics Building Technology Group (ARBT).

Robotics at Work – One Floor a Day

“Using robotics, only two engineers and three helpers can produce one complete floor per day,” says Jalandhar Kasiviswanathan, Vice-President of ARBT Australia and currently overseeing Dubai operations. “We can deliver finished buildings in less than 12 months, at costs up to 30% lower and speeds 60% faster than traditional methods.”

The technology uses a patented interlocking system that ensures structural stability for towers up to 50 storeys. Multiple projects have already been delivered in Australia, the US, Singapore, and Norway, and ARBT has its eyes firmly set on Dubai's high-density residential and hospitality sectors.

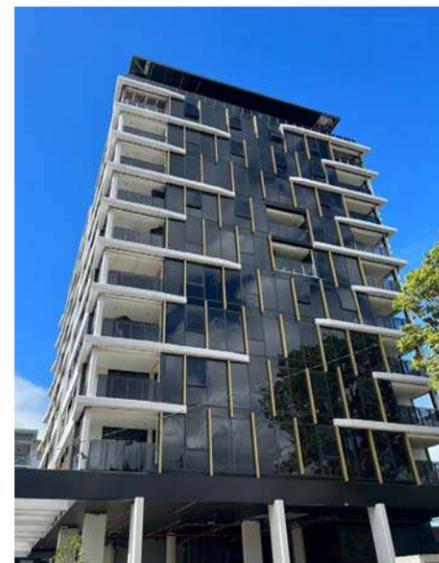
Proven Track Record – From India to China

The system's global credibility is evident — ARBT's Indian partner completed a G+8 building for DRDO in just seven months, winning federal recognition. In China, the “Mini Sky City” in Changsha, a 57-storey building, was completed in just 19 days.

Why India Needs This Now?

India is the fastest growing economy in the world. The country is preparing for an unprecedented decade of expansion, with new megaprojects, tourism infrastructure, and housing communities in the pipeline. Prime Minister Narendra Modi has time and again emphasised the paramount importance of innovation, speed, and sustainability in construction to support economic growth.

With the pragmatic policy measures, bold reforms and underscoring a renewed reforms push in his Independence Day speech, stressing Atmanirbhar Bharat as the bedrock on which Viksit Bharat will be built by 2047 and unveiling a Rs 1 lakh crore jobs programme among other initiatives, traditional construction timelines may no longer be sufficient. Modular technology offers a solution not just for speed, but also for green building



A 12-storey residential tower was completed in just 21 days from concept to completion in Brisbane, Australia.

compliance, waste reduction, and labour efficiency — all key priorities for the fastest growing economy in Asia.

As cars are manufactured in factories and delivered ready to drive, the question now is: why shouldn't housing be built the same way?

INVESTMENT OPPORTUNITY IN TIRUPATHI

PRIME RESIDENTIAL PROJECT IN TIRUPATHI (NEAR HOTEL BHIMAS)

Located in the heart of Tirupathi (near Bhimas Paradise hotel), The Temple Town project of Tirupathi offers unparalleled investment opportunity for investors.

PROJECT HIGHLIGHTS

- Ground + 13 floors
- Two (925 sqft and 1195 sqft) and 3 BHK apartments (1475 – 1655 sqft).
- Built up area : 5,76,000 sqft.
- 312 units. (with 20,000 sqft clubhouse facilities).

Investors keen to partake in the project are welcome for lucrative return on investment with an option for buyback.



For more information, contact

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OFFICE MARKET

LEASING MOMENTUM PICKS UP ALONG IT CORRIDOR

Chennai's office market sustained strong leasing momentum in Q2 2025, fueled by consistent demand along the IT corridor. Gross leasing activity for the quarter stood at 2.17 msf, marking a 10% increase over the previous quarter and 25% growth YOY. Fresh leasing remained dominant, contributing to 92% of total leasing activity, highlighting sustained occupier appetite for new office spaces. Peripheral South emerged as the most active submarket this quarter, accounting for 33% of the total leasing volume, followed closely by Suburban South, which contributed 31%. Sectorwise, IT-BPM remained the key demand driver, commanding 47% of the quarterly leasing activity, while the BFSI sector followed with 22%. Building on strong quarterly momentum, Chennai recorded its highest-ever H1 leasing volume at 4.14 msf led by IT-BPM (47%) and flex space operators (23%).

Global Capability Centers (GCCs) particularly within BFSI and IT-BPM sectors, accounted for 0.66 msf of leasing in Q2. This took the GCCs' cumulative share to 38% of H1 leasing, a 22% growth compared to the same period in 2024.

Robust Absorption led to decline in city-level Vacancy

The city added 1.22msf of new Grade A supply during the second quarter. Meanwhile, net absorption rose sharply to 2msf, an 84% increase QOQ. This robust absorption was fueled by both healthy fresh leasing activity and significant pre-commitment in the new completion, resulting in the highest-ever half-yearly net absorption of 3.08msf. As a result, city-level Grade A vacancy declined by 138 basis points and stood at 13.85% by the end of Q2.

Looking ahead, nearly 12msf of new supply

Gross office leasing reported at 2.17 million sqft in Q2, surveys *Cushman & Wakefield*



is expected by end-2026, largely in the Grade A+ category, emphasizing Chennai's position as an occupier-focused market offering premium office spaces.

Marginal Rental Growth across Submarkets

At the city level, rentals recorded a 6% growth YOY. Submarkets such as Suburban South, South-West and Peripheral South witnessed 5-6% rental appreciation on YOY, while North-West and Peripheral South-West recorded stronger growth in the range of 11-12% YOY. With the upcoming pipeline of premium Grade A+

developments, Chennai's rental growth trend is expected to continue, supported by rising demand and premium supply which will command rentals above current market averages.

KEY LEASING TRANSACTIONS Q2 2025 IN CHENNAI			
Property	Submarket	Tenant	Area (sqft)
DLF Downtown	Suburban south	American Express	167,115
ITPC, Radial road	Peripheral south-west	State Street	200,000
DLF Downtown	Suburban south	Table Space	111,617
Ozone Techno Park	Peripheral south	Tata Consultancy Services	631,276
Ramanujam Intellion Park	Suburban south	WeWork	100,000

Source: Cushman & Wakefield

CHENNAI PROPERTY

(A fortnightly publication)
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Page 1 (Colour)	Rs 200 pcc
Back page (Colour)	Rs 200 pcc
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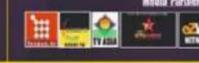
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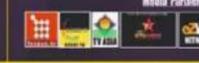
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- Best Man in Police Service (Active)
- Best Woman in Police Service (Active)
- Best Man in Police and Public Service (Retired)
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Chennai's industrial and logistics sector witnessed an absorption of 3.1 million sq. ft. in H1 2025, up from 1.9 million sq. ft. in H1 2024

SNAPSHOTS

Global Recognition for Chennai Architects

Chennai based architect Oscar Concessao, husband of architect Dr. Ponni M. Concessao, National Institute of Technology, Tiruchirapalli, and students of Prof. J. Ramanan just got inducted into the University of Oklahoma, Norman, Gibbs College of Architecture, 2025/ Hall of Fame. He is the first Indian to win this award in the history of University of Oklahoma, Norman, USA.



Dubai's Golden Brick Award for Dr Ponni M Concessao



Chennai based architect Dr Ponni M Concessao has been selected as the woman architect of the year award (national) and awarded the Gold Brick Award at the 7th edition of India International Real Estate awards function held in Dubai on July 26.

Brigade Hotel Ventures signs with Marriott International, Inc.

Brigade Hotel Ventures Limited (BHVL) announced the signing of a landmark multi-deal agreement with Marriott International, Inc. to develop six hotels across four key markets in the country.

This collaboration marks a significant milestone in Brigade's journey to deliver exceptional stays and experiences.

Backed by Marriott's prestigious hospitality brands, the group aim to curate destinations that set new benchmarks in luxury, comfort and guest experiences together.



SAVILLS REAL ESTATE ROUNDUP

- Brookfield acquires office space in Godrej BKC Tower, Mumbai for INR 370.2 cr., increasing its footprint to 0.2 mn sq. ft. (23,225 sq. m.) across three floors
- Knowledge Realty Trust REIT becomes India's largest and most subscribed REIT IPO at 13x
- Andhra Pradesh government allocates land to five IT firms in Visakhapatnam, including data centre projects worth INR 19,000 cr.
- Sumadhura Group leases 0.5 mn sq. ft. (46,451 sq. m.) at Sumadhura Capitol Towers in Whitefield, Bengaluru
- Greater Cochin Development Authority to pool 1,000-acre land for Infopark Phase III in Kizhakkambalam and Kunnathanadu, Ernakulam
- Kerala to launch its first neurodiversity friendly coworking space 'i by infopark' spanning across 48,000 sq. ft. (4,459 sq. m.) at Ernakulam South Metro Station, Kerala
- Optum Global Solutions leases 0.5 mn sq. ft. (46,451 sq. m.) at Embassy Splendid Tech Zone, Chennai for a GCC
- Eaton leases 0.1 mn sq. ft. (13,935 sq. m.) at Aditya Shagun Infinity Park, Pune for a GCC
- ZS, a global consulting firm, leases 50,000 sq. ft. (4,645 sq. m.) at Raheja IT Park, Hyderabad for a GCC
- DRA Group and Balajadia Family to develop 1.0 mn sq. ft. (92,903 sq. m.) commercial and retail space in Chennai and Bengaluru, with USD 100 mn investment
- Amazon leases 0.6 mn sq. ft. (55,741 sq. m.) warehouse at Oswal Logistics Park, Kolkata
- Tesla leases 8,200 sq. ft. (761 sq. m.) space in Aerocity, Delhi
- Tesla leases 33,000 sq. ft. (3,065 sq. m.) in Orchid Business Park, Gurugram
- K Raheja buys 7.4-acre land in Mahalunge, Pune for INR 200 cr.
- NPCI acquires 1.5-acre land in BKC, from MMRDA for INR 829.4 cr.
- Thrillophilia leases 50,000 sq. ft. (4,645 sq. m.) in Jagatpura, Jaipur to build India's largest travel tech hub
- Maharashtra government inaugurates five infrastructure projects in Mumbai including SCLR extension, Kalanagar Flyover arm, and coastal road promenade
- Ujjain IT Park expands Phase II on a 1.5-acre land parcel driven by high demand from tech firms
- IFC to invest USD 150 mn in H-Dream fund for sustainable and affordable housing managed by HDFC Capital Advisors, with a target of USD 1 bn corpus
- Nimbus Group to invest INR 1,100 cr. to develop a residential project in NOIDA
- Omaxe Group secures INR 500 cr. growth capital by Oaktree Capital for projects in cities like Chandigarh, Lucknow and others
- PM inaugurates two infrastructure projects in Bengaluru- Yellow Metro line and Vande Bharat Express to Belagavi

Source: Savills

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Bank credit to the real estate sector has doubled since FY 2021; loan book at over INR 35 lakh crore at the end of FY 2025. The proportion of Gross Non-Performing Assets (GNPA) in the construction industry loan book of banks has significantly reduced from 23.5% in March 2021 to 3.1% in March 2025

REALTY UPDATE

TRENDS IN OFFICE LEASING ACROSS DEAL SIZES (2020- H1 2025)

	2020	2021	2022	2023	2024	H1 2025
Total gross leasing in mn sq ft	30.3	33.0	50.3	58.2	67.2	33.7
Large sized deals (=100,000 sq ft)	65%	50%	46%	49%	53%	51%
Medium sized deals (50,000-100,000 sq ft)	14%	15%	17%	16%	15%	20%
Small sized deals (<50,000 sq ft)	21%	35%	37%	35%	32%	29%
Grand Total	100%	100%	100%	100%	100%	100%

Source: Colliers

WAREHOUSING INDUSTRY-SPLIT OF TRANSACTION VOLUME IN MILLION SQ FT

	H1 2025 in mn sq ft	YoY % change
Other Manufacturing+	14.6	71%
3PL	8.7	30%
E-commerce	3.3	61%
FMCG	1.8	62%
Retail	1.5	-17%
FMCD	1.2	-12%
Miscellaneous++	1	-1%
Total	32.1	42%

Source: Knight Frank Research

+ These include all manufacturing sectors (automobile, electronics, pharmaceuticals, etc.) except FMCG and FMCD

++ These include services such as telecom, real estate, document management, agricultural warehousing and publishing.

TRENDS IN PE INVESTMENT IN INDIA IN H1

City	Investment (USD Million)
Bengaluru	215.0
Pune	134.0
Mumbai	115.0
Bengaluru	15.1
Hyderabad	21.0
Total	500

Source: Knight Frank India

WAREHOUSING - MARKET-SPLIT OF TRANSACTION VOLUMES

Cities	H1 2024	H1 2025	YoY %Change
Mumbai	4.6	7.5	63%
Pune	3.0	5.2	76%
NCR	3.9	5.1	29%
Chennai	1.7	4.1	135%
Ahmedabad	3.2	3.6	9%
Bangalore	1.7	2.9	72%
Hyderabad	1.5	2.3	53%
Kolkata	2.9	1.4	-50%
ALL INDIA	22.5	32.1	42%

Source: Knight Frank Research

WAREHOUSING MARKET-SPLIT OF STOCK AND VACANCY IN H1 2025

Market	Existing Stock mn sq ft	Vacancy
Mumbai	160.3	13%
NCR	112	20%
Bengaluru	52.3	21%
Chennai	46	11%
Ahmedabad	42.7	11%
Kolkata	40.9	10%
Pune	34.5	10%
Hyderabad	24.2	14%
Total	512.8	12%

Source: Knight Frank Research

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LEASING

STRONG DEMAND PUSHES INDUSTRIAL & LOGISTICS LEASING

Chennai, a major port city in South India, offers strategic coastal connectivity and robust infrastructure, making it a key hub for trade and commerce. The city boasts a strong manufacturing base with thriving automobile, electronics, and manufacturing sectors. In addition, ongoing infrastructure developments like the Chennai Peripheral Ring Road and expansion of port facilities are further strengthening logistics efficiency.

Chennai's industrial and logistics sector witnessed an absorption of 3.1 million sq. ft. in H1 2025, up from 1.9 million sq. ft. in H1 2024, marking a growth of 63.2%, with Grade-A facilities contributing over 80% of both supply and absorption in H1 2025.

The absorption was primarily driven by strong demand from the manufacturing segment, which accounted for 68% of the total in H1 2025. The retail segment also showed a strong recovery, contributing 9% of the total absorption in H1 2025, compared to no absorption in H1 2024.

On the supply side, the city witnessed an addition of 4.2 million sq. ft. in H1 2025,

KEY TRENDS:

- The manufacturing, retail, 3PL and FMCG/FMCD segments are driving the demand.
- Growing demand for Grade A warehousing.
- Rental rates increased marginally due to the surge in land prices and construction costs.
- Supply and demand are concentrated in Bengaluru highway and GNT road.

up from 3.6 million sq. ft. in H1 2024. As a result, the operational stock increased to 49.3 million sq. ft. in H1 2025 from 40.5 million sq. ft. in H1 2024. Overall vacancy rate increased to 17.2% in H1 2025 from 14.3% in H1 2024 due to supply outpacing demand.

Bangalore Highway continues to be the preferred micromarket, contributing 69% of the total supply and 74% of the total absorption witnessed in H1 2025.

The I&L segment witnessed absorption of 3.1 million sqft in H1, says **Savills survey**

KEY STATISTICS

	H1 2024	H1 2025
Supply (million sqft)	3.6	4.2
Absorption (million sqft)	1.9	3.1
Vacancy (%)	14.3	17.2
Total stock (million sqft)	40.5	49.3

Source: Savills India Research

MAJOR TRANSACTIONS

Occupier segment	Micromarket	Area Leased (sqft)
Retail	Bengaluru highway	274,000
Manufacturing	GST road	267,000
Manufacturing	Bengaluru highway	258,519
E-commerce	NH-16 GNT Road	200,000
Manufacturing	Bengaluru highway	145,000
3PL	NH-16 GNT Road	120,000

Source: Savills India Research

SUPPLY AND ABSORPTION BY MICROMARKET

Micromarket	Supply	Absorption
Bengaluru highway	69%	74%
GST Road	7%	11%
NH-16, GNT Road	24%	15%

Source: Savills India Research

FOR REALTY NEWS UPDATE :

WWW.PRIYAPUBLICATIONS.IN

Over the past seven years, warehousing consistently attracted long-term institutional capital, with over USD 10 bn invested since 2017. This was fuelled by rapid e-commerce growth, policy-led manufacturing incentives (PLI), and supply chain diversification across Tier 1 and emerging urban hubs

OFFICE MARKET

2025 OFFICE MARKET ON FIRE: SOUTH INDIA IN COMMAND

Flex spaces accounted for 14% of total absorption in Q2 2025, up from 9% in the previous quarter. The area absorbed by flex spaces increased by 68% over the previous quarter, reaching 2.63 Mn sq ft in Q2 2025. Moreover, the southern cities of Bengaluru, Chennai and Hyderabad accounted for nearly 80% of the area absorbed by flex spaces across the top seven cities, underscoring the growing prominence of flex spaces in these cities.

Even though the share of flex spaces has increased significantly, IT-ITeS sector continued to dominate absorption with 9.4 Mn sq ft in Q2 2025. Nearly half of the absorption by IT-ITeS sector was concentrated in the localities of Yeshwantpur (Bengaluru), Nanakramaguda (Hyderabad), and Airoli (Mumbai). The top seven cities recorded 36.75 Mn sq ft of absorption in H1 2025, registering 21% increase over the same period a year earlier. With this growth rate, we anticipate absorption to surpass 75 Mn sq ft by the end of 2025, potentially reaching the highest-ever absorption in any calendar year.

Sector	Absorption (Mn sq ft)			Absorption (% share in pan-India)		
	Q2 2025	Q1 2025	Q2 2024	Q2 2025	Q1 2025	Q2 2024
IT-ITeS	9.4	6.5	7.5	50%	36%	44%
Flex Spaces	2.6	1.6	1.3	14%	9%	8%
BFSI	1.1	3.7	2.1	6%	20%	12%
Others*	5.6	6.2	6.1	30%	35%	36%

*Other sectors include Aviation, Consulting Services, Engineering & Manufacturing, Retail, Healthcare & Lifesciences, Infra, Real Estate & Logistics, Electronics, Automotive, E-commerce, FMCG/FMCD, Telecom & Media, Metals & Mining, and Energy.

Source: Vestian Research

The second quarter of 2025 maintained its growth momentum amid global macroeconomic uncertainties and geopolitical frictions. As a result, absorption rose by 10% annually and 5% quarterly, reaching 18.79 Mn sq ft in Q2 2025. This could be attributed to the significant increase in real estate activities in the southern cities, with their share rising from 46% in Q1 2025 to 59% in Q2 2025.

Mr. Shrinivas Rao, CEO, Vestian, said, "India's office market continued to grow in Q2 2025, largely driven by robust absorption in major cities like Bengaluru, Hyderabad, and Mumbai. As more enterprises are transitioning back to in-office operations and several grade-A office projects are planned to be completed in the second half of 2025, the growth momentum is anticipated to continue with an increase in office utilisation ratio."

City-wise Analysis

- Bengaluru:** After reporting a decline for two consecutive quarters, absorption rebounded in Q2 2025 and reached 5.62 Mn sq ft. Absorption increased by 38% over the previous quarter and 32% compared to the same quarter a year earlier.

IT-ITeS Sector Dominates India's Office Space Absorption, says Vestian

City	OFFICE MARKET SUMMARY: Q2 2025					
	Absorption (Mn sq ft)	Y-o-Y Change (%)	Q-o-Q Change (%)	New Completions (Mn sq ft)	Y-o-Y Change (%)	Q-o-Q Change (%)
Bengaluru	5.62	32%	38%	3.90	11%	11%
Chennai	1.82	4%	13%	1.50	114%	1,400%
Hyderabad	3.56	5%	34%	2.70	-7%	NA
Mumbai	3.45	2%	-14%	1.10	-67%	267%
Kolkata	0.35	52%	52%	0.00	NA	NA
Pune	1.37	-52%	-49%	4.30	760%	48%
NCR	2.62	130%	-4%	1.20	-20%	-54%
Total	18.79	10%	5%	14.70	19%	55%

Source: Vestian Research

- Chennai:** Chennai witnessed an absorption of 1.82 Mn sq ft in Q2 2025, registering an increase of 13% over the previous quarter and 4% compared to the same period a year earlier. Despite a significant quarterly increase in absorption, the city's share in pan-India absorption remained largely stable at 10% in Q2 2025.
- Hyderabad:** The city reported an absorption of 3.56 Mn sq ft in Q2 2025, registering an increase of 34% over the previous quarter and 5% compared to the same quarter a year earlier.
- Mumbai:** The city registered an absorption of 3.45 Mn sq ft in Q2 2025, accounting for 18% of the pan-India absorption. It has decreased by 14% compared to the previous quarter despite witnessing a yearly increase of 2%.
- Kolkata:** The city recorded 0.35 Mn sq ft of absorption in Q2 2025, the highest in the last two years. The absorption increased by 52% compared to the previous quarter and the same period of the preceding year.
- Pune:** Absorption declined by 52% over the previous year and 49% compared to the previous quarter, reaching 1.37 Mn sq ft in Q2 2025. Following the same trend, the city's share in pan-India absorption dropped sharply to 7% in Q2 2025 from 15% in Q1 2025 and 17% in Q2 2024.
- NCR:** Absorption decreased by 4% compared to the previous quarter despite witnessing a significant yearly increase of 130%, reaching 2.62 Mn sq ft in Q2 2025.

Luxury Villas in Ooty / Coonoor / Kothagiri

4-5 BHK villas with sprawling garden, lush greenery, tea estate, and scenic view in proximity to landmark areas and schools and hospitals are AVAILABLE FOR SALE in Coonoor and Kothagiri. While some of the villas are built units, others are under construction enabling phased payment plans for investors.



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LEASING

MEGA DEALS, SMART MOVES:
The Rise of Tech in Office Real Estate

Large-sized deals (=100,000 sq. ft.), continue to drive India's commercial office market, consistently accounting for bulk of the Grade A office space uptake in the last 5 years. In H1 2025 too, 51% of the total leasing across the top 7 cities was through large-sized deals at 17.2 million sq feet, reflecting occupiers' sustained appetite for high-quality office spaces to support growth strategies.

Technology sector continues to drive large-sized transactions across conventional space

Across India's leading seven cities, technology sector continues to anchor office space demand, sustaining its role as one of the dominant demand drivers. While its share in overall conventional leasing has seen a marginal dip since 2020, the sector's leasing volumes have grown steadily in absolute terms, indicating continued expansion. In H1 2025, the sector accounted for more than 10 million sq ft of Grade A space uptake across the top 7 cities, nearly 40% of the overall conventional leasing.

The technology sector, in particular, remains the key driver of the large-sized transactions, indicating expansion and long-term space commitments amidst evolving workplace strategies. During H1 2025, the sector accounted for 43% of the leasing through large-sized deals within conventional spaces, distantly followed by BFSI companies at 28%. Continued momentum in large-sized deals, especially by leading tech companies, highlights their confidence in the local talent pool, infrastructure, long-term market potential & real estate. In fact, large-sized tech deals have picked up pace in recent years, with leasing volumes in conventional spaces increasing from 6.4 million sq feet in 2023 to 8.7 million sq feet in 2024. H1 2025 has already seen 6.2 million sq feet of Tech leasing through large-sized deals, signaling sustained expansionary momentum in the sector. With ongoing GCC expansions in the country, digital transformation spearheaded by AI adoption, large-sized deals are poised to remain the driving force

Technology Sector Anchors ~40% Office Leasing, says Colliers India

of the Indian office market in the next few years.

Technology firms continue to anchor India's flex space demand as well

The technology sector also remains a dominant occupier within flex spaces, as leading tech firms continue to adopt agile workspace strategies to support hybrid work models. The sector currently accounts for 40-50% of the total flex space demand across the top 7 cities of the country. This trend is particularly pronounced in key IT hubs such as Bengaluru, Hyderabad and Pune, where flexible work arrangements enable companies to optimize costs, enhance scalability, and attract skilled talent. While the occupier base for flex spaces is steadily diversifying, the technology sector is expected to retain its prominence, driving sustained flex space demand in the next few years.

"The technology sector continues to demonstrate remarkable resilience, even amid global uncertainties and workforce adjustments. Since 2020, tech occupiers have leased close to 85 million sq. ft. of conventional office space across the top seven cities and accounted for bulk of the large-sized transactions. In H1 2025 alone, the sector drove 43% of the large -sized



transactions of 100,000 sq. ft or above. Despite current headwinds, we expect technology occupiers to maintain the leasing momentum throughout 2025 and fuel commercial real estate in India, mainly supported by expansion of GCCs. Meanwhile, strong IT talent pool and cost arbitrage will continue to be the differentiating factors for Indian office market," said Arpit Mehrotra, Managing Director, Office Services, Colliers India.

Bengaluru and Hyderabad continue to drive ~50% of the Tech demand in India

Bengaluru remains the epicenter of India's technology sector and has established itself in the top 5 global tech destinations, supported by its deep talent pool, mature IT ecosystem, and robust office infrastructure. Hyderabad, meanwhile, continues to strengthen its position as a major technology center both in India and globally, driven by competitive costs, supportive government initiatives, and availability of high-quality office developments. Together, Bengaluru and Hyderabad account for nearly half of the country's tech leasing over the last five years, underscoring their dominance as preferred markets for technology occupiers. The two cities are followed by Pune, Chennai, and Delhi-NCR with sustained demand from technology firms.

Top 5 Micro-markets drive nearly 50% of the Tech leasing at Pan India level

Majority of leading technology micro-markets in the country are concentrated in South India, which has established IT hubs

such as ORR & Whitefield in Bengaluru, SBD & Off-SBD in Hyderabad, and OMR Zone in Chennai. These micro markets have consistently witnessed strong traction in technology leasing, driven by an established IT/ITeS ecosystem, well-developed social & physical connectivity and availability of skilled talent in residential catchment areas. Competitive rentals and availability of relatively larger floor plates in office developments have added to the forward-looking IT policies of these states in southern India.

"India's technology leasing continues to be dominated by select high-performing IT hubs. In H1 2025, the top micro-markets - ORR & Whitefield in Bengaluru, SBD and Off-SBD in Hyderabad, and OMR Zone in Chennai, accounted for nearly half of India's total tech leasing, a clear testament to their unmatched pull amongst IT occupiers. These hubs have not only weathered market shifts but have set the pace for India's office sector. The Indian technology sector is experiencing significant growth and transformation, driven by trends like AI adoption, cloud computing and cybersecurity. Ongoing innovation and global servicing capabilities are likely to remain unmatched, with the sector potentially accounting for 40-50% of the office space uptake in 2025," said Vimal Nadar, National Director and Head of Research, Colliers India



The Indian IT industry is at the cusp of a structural change where global tech companies are increasingly expanding their India operations by setting knowledge & innovation hubs, thereby accelerating the digital revolution in India. In fact, as per NASSCOM, GCCs in India are projected to increase from around 1,800 currently to over 2,400 with revenues exceeding USD 100 billion by 2030. The role of domestic IT firms is also undergoing a steady shift as artificial intelligence, generative learning, machine learning and cloud computing permeate further into the fabric of Indian IT industry. Overall, the next few years are likely to be crucial for technology sector in India, driven by evolving contours between domestic and global tech companies in the country. Real estate requirements by the tech sector, thus will also continue to undergo a gradual structural transformation over the next few years.

TRENDS IN OFFICE LEASING ACROSS DEAL SIZES (2020- H1 2025)

	2020	2021	2022	2023	2024	H1 2025
Total gross leasing in mn sq ft	30.3	33.0	50.3	58.2	67.2	33.7
Large sized deals (=100,000 sq ft)	65%	50%	46%	49%	53%	51%
Medium sized deals (50,000-100,000 sq ft)	14%	15%	17%	16%	15%	20%
Small sized deals (<50,000 sq ft)	21%	35%	37%	35%	32%	29%
Grand Total	100%	100%	100%	100%	100%	100%

Source: Colliers

Note: Percentages represent the share of total annual leasing activity in each deal size category in the respective year. Data includes leasing across conventional space as well as flex space. Data pertains to Grade A buildings only. Data pertains to top 7 cities - Bengaluru, Chennai, Delhi-NCR, Hyderabad, Kolkata, Mumbai, and Pune | Kolkata data limited for 2020-23 period.

TRENDS IN PAN INDIA OFFICE LEASING (2020 - H1 2025)

	2020	2021	2022	2023	2024	H1 2025
Pan India gross leasing (mn sq ft)	30.3	33.0	50.3	58.2	67.2	33.7
Conventional leasing (mn sq ft)	28.1	28.2	43.3	49.5	54.5	27.2
Share of conventional leasing in total gross leasing (%)	93%	86%	86%	85%	81%	81%
Flex space leasing (mn sq ft)	2.2	4.8	7.0	8.7	12.7	6.5
Share of flex space leasing in total gross leasing (%)	7%	14%	14%	15%	19%	19%

Source: Colliers

Note: Data pertains to Grade A buildings only. Data pertains to top 7 cities - Bengaluru, Chennai, Delhi-NCR, Hyderabad, Kolkata, Mumbai, and Pune | Kolkata data limited for 2020-23 period. Gross absorption does not include lease renewals, pre-commitments and deals where only a letter of Intent has been signed.

TRENDS IN LEASING BY TECHNOLOGY SECTOR WITHIN CONVENTIONAL OFFICE SPACES (2020-H1 2025)

	2020	2021	2022	2023	2024	H1 2025
Total gross leasing - conventional space (mn sq ft)	28.1	28.2	43.3	49.5	54.5	27.2
Leasing by Technology sector (mn sq ft)	13.9	13.2	17.0	14.3	16.6	10.8
Share of Technology sector in conventional leasing (%)	49%	47%	39%	29%	30%	40%
Tech leasing through large-sized deals (mn sq ft)	9.4	7.0	7.9	6.4	8.7	6.2

Source: Colliers

Note: Data pertains to Grade A buildings only. Gross absorption does not include lease renewals, pre-commitments and deals where only a letter of Intent has been signed.

TRENDS IN CONVENTIONAL LEASING BY TECHNOLOGY SECTOR ACROSS KEY MARKETS

(msf/%)	2020	2021	2022	2023	2024	H1 2025
Bengaluru	4.3 (31%)	3.7 (28%)	7.1 (42%)	3.4 (24%)	5.7 (34%)	3.0 (28%)
Chennai	0.7 (5%)	1.4 (11%)	1.8 (11%)	2.8 (19%)	1.6 (10%)	1.5 (14%)
Delhi NCR	1.8 (13%)	2.5 (19%)	3.0 (18%)	2.4 (17%)	2.4 (15%)	1.6 (15%)
Hyderabad	3.8 (27%)	3.1 (23%)	3.3 (19%)	3.6 (25%)	4.2 (25%)	2.3 (21%)
Kolkata	-	-	-	-	0.3 (2%)	0.3 (3%)
Mumbai	1.2 (9%)	0.8 (6%)	0.7 (4%)	1.4 (10%)	1.0 (6%)	0.9 (8%)
Pune	2.1 (15%)	1.7 (13%)	1.1 (6%)	0.7 (5%)	1.4 (8%)	1.2 (11%)
Total	13.9 (100%)	13.2 (100%)	17.0 (100%)	14.3 (100%)	16.6 (100%)	10.8 (100%)

Source: Colliers

Note: Data pertains to Grade A buildings only | Kolkata data limited for 2020-23 period. Gross absorption does not include lease renewals, pre-commitments and deals where only a letter of Intent has been signed. Percentage indicates share of the respective city in the total Tech leasing in conventional spaces during the period

WAREHOUSING

WAREHOUSE DEMAND RECORDS 42% YOY GROWTH IN H1 2025

Knight Frank India, a leading international property consultancy, in its latest half yearly report, India Warehousing Market Report, recorded a 42% YoY surge in leasing volumes to 32.1 million square feet (mn sq ft) across the top eight markets. This sharp rise in demand was led by the manufacturing sector, which saw a 71% YoY growth in space uptake, accounting for 45% of the total transactions.

The report highlights the expanding role of India as a resilient, consumption-led, and manufacturing-driven economy whose industrial and warehousing market is benefiting from global trade realignments, government-led infrastructure and PLI investments. The increasing focus on higher grade facilities is also apparent. Transaction volumes reflect this shift as 63% of leased space was Grade A, up from 54% a year ago.

Pan-India stock exceeded 500 mn sq ft in H1 2025, with Grade A assets constituting 75% of new supply; vacancy dropped from 13.1% to 12.1% as supply lagged demand.

Manufacturing sector strengthens dominance

The manufacturing sector emerged as the leading occupier during H1 2025, accounting for 45% of all transactions, a significant leap from prior periods. The sector's leasing volume reached 14.6 mn sq ft, up 71% YoY in H1 2025. Notably, Mumbai and Pune together absorbed 44% of this space, led by prominent companies such as SKS Fasteners, RenewSys India, Godrej & Boyce, and Lupin.

The shift of global supply chains, government support through PLI schemes, and India's competitiveness in energy, chemicals, automotive, and heavy engineering has positioned the country as a viable manufacturing destination. Interestingly, warehouses are also increasingly being retrofitted to industrial specifications to capitalise on the upswing in manufacturing activity.

Industry-Split of Transaction Volume in mn sq ft

	H1 2025 in mn sq ft	YoY % change
Other Manufacturing ²	14.6	71%
3PL	8.7	30%
E-commerce	3.3	61%
FMCG	1.8	62%
Retail	1.5	-17%
FMCD	1.2	-12%
Miscellaneous ³	1	-1%
Total	32.1	42%

Source: Knight Frank Research

3PL, e-commerce also on upward curve

3PL firms absorbed 8.7 mn sq ft (27% share), rising 30% YoY, with Mumbai constituting 35% of the sector's transacted volumes followed by NCR, and Pune. E-commerce, while no longer the dominant sector, made a strong comeback with 3.3 mn sq ft, a 61% increase over the previous year, now accounting for 10% of all activity.

City-wise growth led by Mumbai, Pune, Chennai

Transaction volumes grew across all cities except Kolkata. Mumbai led with 7.5 mn sq ft, up 63% YoY. Pune and Chennai registered 76% and 135% growth respectively, led by strong manufacturing uptake. Ahmedabad and Bengaluru also recorded notable expansion.

The Ahmedabad market reached a new half-yearly high of 3.6 mn sq ft, driven by manufacturing firms which took up 48% of the area transacted. Similarly, Bengaluru also saw a 72% YoY surge, with 65% of leasing volume led by manufacturing sector occupiers—the highest share for the city since H1 2023.

Market-Split of Transaction Volumes

Cities	H1 2024	H1 2025	YoY %Change
Mumbai	4.6	7.5	63%
Pune	3.0	5.2	76%
NCR	3.9	5.1	29%
Chennai	1.7	4.1	135%
Ahmedabad	3.2	3.6	9%
Bangalore	1.7	2.9	72%
Hyderabad	1.5	2.3	53%
Kolkata	2.9	1.4	-50%
ALL INDIA	22.5	32.1	42%

Source: Knight Frank Research

Supply struggles to match demand: Grade A dominates

While the office market has almost reached the one billion sq ft mark, the warehousing and industrial market crossed 513 mn sq ft in H1 2025, with 26.9 mn sq ft becoming operational across the top eight markets. However, this trailed demand during the period, helped lower the pan-India vacancy to 12.1%, from 13.1% in H1 2024.

Grade A properties constituted 75% of the new supply, reflecting developer response to occupier preference for high-specifications, ESG-aligned spaces. Grade A vacancy (12.9%) remained higher than Grade B (10.7%), due to speculative development in anticipation of demand.

Rents rise steadily across markets

All primary markets recorded a 3–5% YoY rise in rental values, led by Mumbai at 4.7%, Kolkata at 4.6%, and Pune at 3.8%. Healthy occupier traction and the rising demand for efficient, automated logistics parks with sustainability features has kept rent growth buoyant across markets.

Average Rent (In INR/sq ft/month)

Market	H1 2025	% Change
Mumbai	24.7	4.7%
Kolkata	24.9	4.6%
Ahmedabad	18.3	4.0%
Pune	27.0	3.8%
Bangalore	22.7	3.2%
NCR	21.5	3.1%
Chennai	24.1	3.0%
Hyderabad	21.1	3.0%

Source: Knight Frank Research

Shishir Baijal, Chairman and Managing Director, Knight Frank India, said, "The healthy surge in the volumes transacted in the industrial and warehousing market reflects the depth of India's rapidly expanding manufacturing and consumption base. A 71% YoY rise in manufacturing-led activity highlights the shift toward India as a preferred production hub amid global realignments. The evolving demand profile, backed by infrastructure build-up, policy stability, and rising investor interest in Grade A assets, signals a more mature and future-ready warehousing ecosystem. With supply trailing demand and vacancy at a low 12.1%, this sector is now poised for another breakout phase. We expect sustained momentum as 3PL, e-commerce, and energy continue to drive expansion, and more institutional capital flows into industrial real estate."



With India's macroeconomic resilience, strong PMI, (Purchasing Managers' Index) and improving global positioning, demand from the industrial and warehousing market is expected to sustain. The growth seen in H1 2025 signals a well-diversified and broad-based occupier demand, reducing reliance on any one sector. As businesses prioritize supply chain efficiency and cost control, Grade A, ESG-compliant assets should continue to dominate future demand.

With India's macroeconomic resilience, strong PMI, (Purchasing Managers' Index) and improving global positioning, demand from the industrial and warehousing market is expected to sustain.

Market-Split of Stock and Vacancy in H1 2025

Market	Existing Stock mn sq ft	Vacancy
Mumbai	160.3	13%
NCR	112	20%
Bengaluru	52.3	21%
Chennai	46	11%
Ahmedabad	42.7	11%
Kolkata	40.9	10%
Pune	34.5	10%
Hyderabad	24.2	14%
Total	512.8	12%

Source: Knight Frank Research

Triplicane Vyasaraaja Mutt Triplicane, Chennai

Sri Vyasaraaja Math is one of the three premier Dvaita Vedanta monasteries descended from Jagadguru Sri Madhvacharya through, Rajendra Tirtha and their disciples. Vyasaraaja Math, along with Uttaradi Math and Raghavendra Math, are considered to be the three premier apostolic institutions of Dvaita Vedanta and are jointly referred as Mathatraya. Chennai's Triplicane based Vyasaraaja Mutt development work has been undertaken and the construction cost has been estimated at Rs 2.5 crore. Devotees are requested to contribute their mite for the noble cause. For more details, please contact the number below. **Contribute through GPay No. 9789990188, Call Mr N Ramakrishna Achar on 9940317614 or 9444802951 for more information.**



Flex spaces accounted for 14% of total absorption in Q2 2025, up from 9% in the previous quarter. The area absorbed by flex spaces increased by 68% over the previous quarter, reaching 2.63 Mn sq ft in Q2 2025, says Vestian

TAX PLANNING

ITC on construction of water storage and effluent storage tank eligible, applying functionality test

M/s Nitta Gelatin India Ltd. The Kerala Authority for Advance Ruling ('AAR') has held that Input Tax Credit ('ITC') is admissible on GST paid on goods and services used for construction of a freshwater storage tank and effluent storage tank. The AAR ruled that these structures are not passive civil structures but are integral part of the Applicant's manufacturing process and, though constructed using civil elements, qualify as "plant and machinery" in terms of Explanation to Section 17(5) of the Central Goods and Services Tax Act, 2017 ('CGST Act'). Accordingly, the restrictions under Section 17(5)(c) and 17(5)(d) do not apply.

Facts of the case:

- M/s Nitta Gelatin India Ltd. ('the Applicant'), is engaged in the manufacture of gelatin from Ossein (derived from animal bones).
- The Applicant plans to construct a freshwater storage tank and effluent storage tank for maintaining proper water storage and effluent storage capacity, respectively.
- These assets are proposed to be capitalized as "plant and machinery" in the books of accounts.
- The Applicant sought an Advance Ruling to confirm whether ITC is eligible on goods and services used in the construction of these structures.

Contentions of the Applicant:

- The processing plant's effluent requires treatment and discharge as per Pollution Control Board norms.
- The Applicant referred the Explanation to Section 17(5), which define the term "plant and machinery" and contended that both the structures are not merely civil structures excluded from the definition of 'plant and machinery' but essential and inseparable components of the Applicant's manufacturing process. Therefore, both the structures qualify as 'plant and machinery' used in manufacturing process.
- Accordingly, the restriction under Section 17(5)(c) and 17(5)(d) does not apply.
- The Applicant also placed reliance on the advance ruling in the case of SHV Energy Pvt. Ltd., Tamil Nadu AAR 2, which allowed ITC on fire water reservoir when capitalized as 'plant and machinery'.

Observations and Ruling of AAR:

- Explanation to Section 17(5) defines the terms "plant and machinery" to means apparatus, equipment, and machinery fixed to earth by foundation or structural support that are used for making outward supply of goods or services or both and includes such foundation and structural supports. However, the definition expressly excludes land, buildings, and other civil structures.
- Perusal of above definition suggests that even though something may be immovable property in the ordinary sense (being fixed to the earth), if it qualifies as "plant and machinery" ITC on its construction is not restricted Section 17(5)(c) and 17(5)(d).

- In the present case, freshwater tank and the effluent guard pond ensure uninterrupted availability of water required for the production process, while also assisting in meeting environmental compliance.
- These structures are not administrative buildings or ornamental constructions. These serve as dedicated and essential production-related functions.
- Though constructed using concrete and steel, the tanks are not mere civil structures, but functional apparatus akin to large equipment used in fluid storage and waste treatment.
- Given the functional role of both the tanks in manufacturing process and the fact that both structures were capitalized as plant and machinery in the books, the said structures squarely fall under the definition of 'plant and machinery'.
- Further, to determine whether both the structures fall under the 'civil structures' excluded from definition of plant and machinery, the AAR referred to Supreme Court's judgment in Safari Retreats Pvt. Ltd 3, emphasizing that the classification of an asset must be based not merely on its form or structural characteristics, but on its functional role in the taxpayer's business.
- On applying the "functionality test," the AAR held that both the tanks serve indispensable roles in manufacturing process and are not merely passive civil structures. Therefore, both the tanks qualify to be plant and machinery and the restriction under Section 17(5)(c) and (d) not attracted.
- In view of the above, the AAR confirmed the eligibility of ITC on construction of freshwater storage tank and effluent storage tank subject to capitalization in the books of accounts and integral use in manufacturing operations.

DHRUVA COMMENTS

This ruling is based on the foundational principle that the functional characterization prevails over form while evaluating whether a structure qualifies as civil structure or as part of plant and machinery. The AAR has distinguished manufacturing process-integrated structures from civil structures, thereby supporting the eligibility of ITC on civil structures, like, storage tanks, and effluent treatment facilities, when used directly in the manufacturing process. Taxpayers should, however, exercise caution and ensure proper documentation and capitalization of such assets in their books of accounts. They should also maintain evidence of the functional necessity of such structures in the manufacturing process to substantiate ITC claims.

Source: Dhruva Advisors LLP

DISCLAIMER : Where opinion is expressed it is that of the authors and does not necessarily coincide with the editorial views of the publisher or Chennai Property.

INVESTMENT OPPORTUNITY IN TIRUPATHI

PRIME RESIDENTIAL PROJECT IN TIRUPATHI (NEAR HOTEL BHIMAS)

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- Built up area : 5,76,000 sqft.
- 312 units. (with 20,000 sqft clubhouse facilities).

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ATTENTION: Doctors, Healthcare Consultants

Looking to Set Up Alzheimer Healthcare Centre

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