Management discussion and analysis

Global economic overview

In 2017, a decade after the global economy spiralled into a meltdown, a revival in the global economy became visible. Consider the realities, every major economy expanded and a growth wave created jobs. This reality was marked by ongoing growth in the eurozone, modest growth in Japan, a late revival in China and improving conditions in Russia and Brazil leading to an estimated 3.7% growth in the global economy in 2017, 60 bps higher than the previous year. Crude oil prices increased in 2017, with a price of USD 54.13 per barrel at the beginning of the year, declining to a low of USD 46.78 per barrel in June 2017 and closing the year at USD 61.02 per barrel, the highest since 2013.

Review of key national economies

The US: The world's largest economy entered its ninth straight year of growth in 2017 (2.3% compared to 1.6% in 2016) catalysed by the spillover arising out of government spending by the previous administration coupled with USD 1.5 trillion worth of tax cuts stimulating investments. Private consumption continued to grow at a robust pace from 1.5% in 2016 to 2.2 in 2017 despite modest real income gains and moderate wage growth, as the personal savings rate fell further.

Eurozone: This region experienced the upside arising out of cheap money provided by the central bank. In 2017, eurozone is estimated to grow 2.4% compared with 1.8% in 2016, the broad-based growth visible in all Euro-zone economies and sectors. Unemployment declined to 8.8% in October 2017, the lowest since January 2009. *(Source: WEO January 2018, Focus Economics)*

China: The Chinese economy grew faster than expected in

Global economic growth for six years

Year	2014	2015	2016	2017 (e)	2018 (f)	2019 (f)
Real GDP Growth (%)	3.5	3.2	3.1	3.8	3.9	3.0

[Source: World Economic Outlook, January 2018] e: estimated f: forecasted the fourth quarter (October to December) of 2017 at 6.8%, aided by a recovery in exports. This helped China celebrate its first annual growth in seven years. For the full year, China's growth is estimated at 6.9% which is its highest economic growth since 2010. This growth easily beat the government estimates of 6.5% and the nation's slowest growth of 6.7% in 2016 (weakest pace in 26 years). Private firm investments rose grew at 6% in 2017 from 3.2% in 2016, a sign that private sector outlook is improving. Disposable income growth picked up to 7.3% in 2017 from 6.3% in 2016. Consumption should outpace investment and demand for services could remain strong (52% of economic output). China's exports rose 6.9% from the previous year to USD 188.98 billion in October 2017. In 2018, China's growth is projected at 6.6%. *(Source: WEO, NBS)*

Emerging Asia: Emerging Asia GDP is estimated at 6.5% in 2017. The region is being transformed by technologies and Internet, strengthening the digital economy. Cambodia, Laos and Myanmar are projected to grow the fastest in the ASEAN, while Philippines and Vietnam are expected to lead growth in ASEAN-5 (Indonesia, Malaysia, Philippines, Thailand and Vietnam). The region is being driven by infrastructure spending and stable economies.

GCC: Being highly oil dependent economies, GCC countries were affected by the oil price decline (~60% since 2013), resulting in macro-economic instability that affected job creation and growth. The GDP growth across the region remained subdued at 1.8% in 2017 despite efforts to boost the non-oil private sector economic activities. Regional growth is projected to increase steadily after 2017, to 3% in 2018 and 3.2% by 2020, following acceleration among oil exporters and importers, moderated geopolitical tension and rise in oil prices. (Source: World Bank)

Russia: The economy appeared to have exited a two-year recession that, thanks to the authorities' effective policy response and existence of robust buffers, proved shallower than past downturns. In 2017, Russia was estimated to grow 1.9% following negative growth of 0.6% in 2016 (WEO) and a projected GDP growth of 1.8% in 2018. (Source: MOMR)

Brazil: In 2017, Brazil grew at 1.1% following a deceleration of 3.5% in 2016. The recovery in the GDP was boosted mainly by the agricultural sector which grew by 13%. The services sector also registered a growth of 1.8%. According to the Brazilian Institute of Geography and Statistics (IBGE), a decline in inflation (inflation was 3.5% in 2017 as compared to 8.7% in 2016) also significantly contributed to the economic growth. According to IMF predictions, the nation is expected to clock a growth of 1.9% in 2018. In the next fiscal, manageable inflation and improvements in labour conditions are expected to boost consumer spending. There are also expectations of monetary easing and rising business confidence, which could revive fixed investments. *(Source: Focus Economics, Rio Times)*

Outlook

The outlook for advanced economies improved, notably for the eurozone, but in many countries inflation remained weak, indicating that prospects of GDP growth were being held back by weak productivity levels and rising dependency ratios. Prospects of emerging market and developing economies in sub-Saharan Africa, the Middle East, and Latin America remained lacklustre with several countries experiencing stagnant per capita incomes. Fuel exporters were particularly affected by protracted adjustments to lower commodity revenues. Global growth forecasts for 2018 and 2019 were revised upward by 20 bps to 3.9%, reflecting an improved momentum and the impact of tax policy changes in the US. *(Source: WEO, IMF)*.

Indian economic overview

After registering a GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy headed for somewhat slower growth, estimated to be 6.7% in 2017-18. Even with this lower growth

FY2017-18 Versus FY 2016-17

	2017-18	2016-17
GDP growth	6.7%	7.1%
GVA growth	6.4%	9.0%
Farm growth	3%	9.0%
Manufacturing growth	5.1%	9.3%
Power and gas growth	7.3%	6.5%
Mining growth	3%	1.9%
Construction growth	4.3%	3.5%
Trade, hotel, transport, telecom growth	8.3%	9.8%
Financials, realty growth	7.2%	9.8%
Public, admin, defence growth	10.1%	16.6%
Per capita income growth	8.3%	9.7%

(Source: Press Information Bureau)

for 2017-18, GDP growth averaged 7.3% for the period from 2014-15 to 2017-18, the highest among the major economies. This was achieved on the back of lower inflation, an improved current account balance and a reduction in fiscal deficit-to-GDP ratio. The year under review was marked by various structural reforms being undertaken by the Central Government. In addition to GST introduction, the year witnessed significant steps towards resolution of problems associated with NPA levels, FDI liberalisation, bank recapitalisation and privatisation of coal mines. After remaining in the negative territory for a couple of years, export growth rebounded during 2016-17 and strengthened in 2017-18. Foreign exchange reserves rose to USD 414 billion as on January 2018. *(Source: CSO, Economic Survey 2017-18)*

Outlook

The World Bank projected India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. Strong private consumption and a growth in the services sector are expected to continue supporting economic activity. Private investments are expected to revive as the corporate sector adjusts to the GST. Over the medium-term, the introduction of the GST is expected to catalyse economic activity and fiscal sustainability by reducing the cost of tax compliance drawing informal activity into the formal sector and expanding the tax base. The recapitalisation package for public sector banks announced by the Government of India is expected to resolve banking sector balance sheets, enhance credit to the private sector and spur investment inflows. *(Source: IMF, World Bank)*

Global pharmaceutical sector overview

The global prescription drug market grew by 0.8% in 2017 vis-à-vis 2016 due to the depreciation of the USD against other currencies, especially Asian ones. The US is the largest pharmaceutical market in the world valued at USD 339,694 million followed by Japan (USD 94,025 million) and China (USD 86,774 million). North America, Europe and Japan jointly accounted for 82% of audited and unaudited drug sales. The annual growth in European Union slowed to 5.8%, 2.1% in Japan and 1.4% in North America. Impending policy changes, promoting the use of generics in these key markets are expected to affect revenues and profits of global pharmaceutical majors. *(Source: PwC, World Atlas, Investing News)*

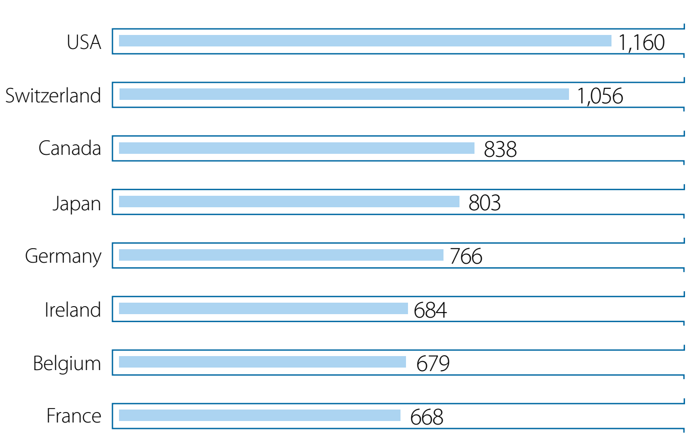
Demand drivers

- **Impact of globalisation:** Competition is global and emerging markets all are disrupting the industry. Government regulations (taxation, trade, approvals, market access and pricing) are rising.
- **Changing definitions of value and price:** There is an increasing pressure to lower drug prices and seeking non-traditional ways of serving patients (education, support and self-administration).
- **Rise in consumer accountability and power:** Patients are likely to control most of the power due to the growing impact of omni-channel communication between consumers and organisations. *(Source: Appian, Gartner)*

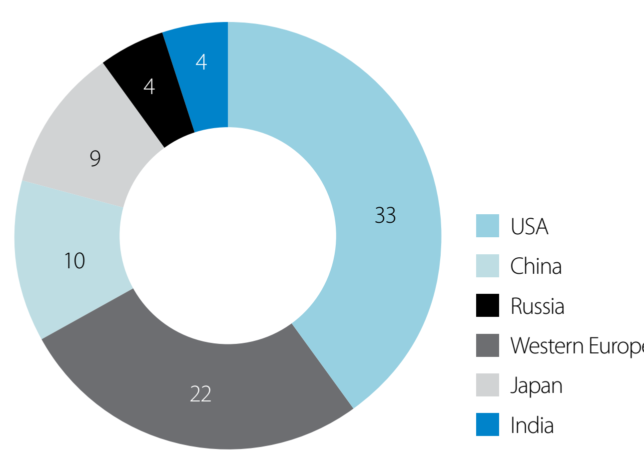
Outlook

The global pharmaceuticals market could reach USD 1.12 trillion in 2022, growing at CAGR of 6.3% till 2022. Prescription sales excluding generics will reach USD 1.006 trillion by then. This growth could come from market expansion in pharmerging countries and ageing populations in developed countries. Global brand spending is forecast to increase to ~USD 832 billion by 2021 while global generic spending is expected to increase to ~USD 505 billion by 2021. *(Source: Evaluate Group, Pharmaceutical Commerce, Quintiles-IMS Institute, IFPMA, Euler Hermes)*

Pharmaceutical spending per capita (USD)



Share of pharmaceutical revenues (%)



The Indian pharmaceutical industry overview

India's pharmaceutical sector is one of the most attractive proxies of national competitiveness. Over the last two decades, the sector has transformed an overhang of reverse engineering to patent-respecting processes, enhanced volumes to address global appetite, manufactured generic products at one of the lowest costs and enhanced quality in line with the best global standards (audited by demanding regulatory agencies).

The growth is reflected in the numbers: India retained its position as the largest-global provider of generic, accounting for 20% of global generic exports by volume. The industry is growing at ~10% y-o-y in a largely volume-led environment. The country accounts for a ~30% (by volume) and a ~10% (value) share of the ~USD 80 billion US generics market. *(Source: IBEF)*

The country's pharmaceutical sector revenues grew from USD 27.57 billion in 2016 to USD 29.61 billion in 2017. India's pharma exports during FY2018 (April 2017 – February 2018) were valued at USD 11.90 billion. During February 2018, major commodity groups of export showed positive growth over the corresponding month of the previous year, which included organic and inorganic chemicals (30.41%) and drugs and pharmaceuticals (13.92%).

Domestic pharmaceutical companies received more than 300 approvals by USFDA in 2017 to launch generic drugs in the US, which is an all-time high, which is among the highest number across any country. Indian companies received 304 ANDA approvals from USFDA in 2017, strengthening their ability to service some of the most demanding global markets.

Demand drivers

- **Rising population:** 1.5 million people are added every year to India's population and it is estimated that India will become the most populous country by 2022. Consequently, the patient pool is expected to increase at a rate of 20% over the next decade.
- **Governmental impetus:** Over 650 million people are expected to be covered by health insurance by 2020. Central Government-sponsored programmes provided health benefits to >380 million BPL people during 2017.
- **Medical tourism:** Serving >300,000 international patients annually, India's medical travel industry is growing at 25%. India welcomes most of its medical travellers from Bangladesh, the Turkic States, the Middle East and East Africa even as those from developed countries are also rising.
- **Rising incomes:** Increase in incomes could drive 73 million households to the middle-class over the next decade, accompanied by an increase in unhealthy lifestyles.
- **Chronic diseases:** Cardiovascular diseases (coronary heart disease, stroke, and hypertension) contribute to 45% of all non-communicable disease-related deaths in India, followed by chronic respiratory diseases (22%), cancer (12%) and diabetes (3%).
- **Health care sector:** Over 160,000 hospital beds expected to be added each year across the next decade; the hospital market size is expected to increase by USD 200 billion by 2024.
- **Generic drugs:** India's generic drugs account for 20% of global exports in terms of volume, making it the largest provider of generic medicines globally. The generics drug market accounts for ~70% of the Indian pharmaceutical industry and is expected to reach USD 279 billion by 2020.

(Source: Financial Express, Economic Survey, Livemint, IBEF, WHO)

Challenges and concerns

- **R&D investments:** One of the biggest constraints to advancing scientific research is the lack of sufficient funding and inadequate allocations by the Central Government towards R&D.
- **Inadequate infrastructure:** Revamping of infrastructure in terms of cold chains and advanced labs for drugs testing and development is acutely needed for APIs and formulations to compete at the same scale as China and Israel.
- **Healthcare expenditures:** Low medical and healthcare expenditure in rural areas despite specific projects (NRHM, DOTS, NSAIDS and Pulse Polio) has limited the growth of the domestic market.
- **Regulatory frameworks:** Biosimilars are regulated under the provisions of Environment Protection Act of 1970 and the Drugs and Cosmetics Act of 1940. A similar situation exists in the case of fixed drug combinations as well. The Drug Technical Advisory Board under the Drug Controller General of India needs to deploy representatives so as to ensure that these concerns are addressed speedily and unambiguously.
- **Labour arbitrage:** Rapidly increasing costs of skilled manpower (scientists, regulatory compliance personnel, lawyers and international business development personnel) are increasing the cost of innovation leading to a decline in the labour arbitrage opportunity compared to emerging countries.

Outlook

The Indian pharmaceutical industry is expected to grow from USD 29.61 billion in 2016-17 to USD 55 billion by 2020. The domestic generic drug market is expected to reach USD 27.9 billion by 2020 from USD 26.1 billion in 2016.

India is expected to emerge among the three leading pharmaceutical markets in terms of incremental growth. India's pharmaceutical exports stood at USD 16.8 billion in 2016-17 and could grow 30% over the next three years to reach USD 20 billion.

Increasing consumer expenditures, rapid urbanisation, increasing healthcare insurance coverage could combine to make India the ninth-largest market. The Government of India unveiled the Pharma Vision 2020 aimed at making India a global leader in end-to-end drug manufacture by reducing approval times for new facilities.

(Source: IBEF, ET, Pharmaceuticals Export Promotion Council of India)

Government initiatives

- In March 2018, the Drug Controller General of India announced plans to start a single-window facility to provide consents, approvals and other information.
- The Government of India invoked Drug Price Control Order and the National Pharmaceutical Pricing Authority to address the affordability and availability of medicines.

(Source: IBEF)

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Global biotechnology industry overview

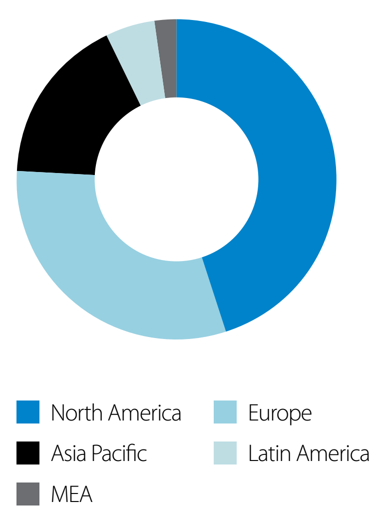
The global biotechnology market size was estimated at USD 369.62 billion in 2016. The biotechnology segment of the global pharmaceutical sector is one of the most exciting for its ability to find effective cures at lower costs without side-effects and without compromising environment integrity. The result is that the global biotechnology is expected to grow appreciably, attract investments and address a wider range of ailments. North America accounted for the largest market share attributed to increased research investments pertaining to new drug discovery, followed by Europe and Asia-Pacific.

There is a premium on the need to boost R&D efficiency, partly by embracing emerging technologies and partly through use of creative business models. There is a growing room for artificial intelligence and computer processing to streamline components of drug discovery, allowing rapid screening of huge numbers of molecules. Cloud-based, secure data-sharing platforms are facilitating greater research collaboration across geographies. The International Council of Biotech Associations (ICBA) announced the launch of www.internationalbiotech.org, a new website to support the organisation's mission of growing and connecting the innovative biotechnology industry worldwide. *(Source: Grand View Research, Ernst & Young)*

Outlook

The global biotechnology market is expected to reach USD 727.1 billion by 2025 from USD 216.5 billion in 2011.

Biotechnology market, by region, 2016 (%)



Indian biotechnology industry

The Indian biotechnology industry accounts for a ~2% share of global biotechnology revenues. The biotechnology sector in India, comprising ~800 companies, was valued at USD 11.6 billion in 2017. Bio-pharma was the largest sector contributing ~62% of the total revenue followed by bio-services (18%), bio-agro (15%), bio-industry (4%), and bio-informatics (1%).

India enjoys a marginal global share in the area of industrial enzymes. By leveraging focused R&D and knowledge-based innovation, India can innovatively replace polluting chemicals with eco-friendly variants. Another emerging field of study is the area of bio-markers and companion diagnostics that optimise the benefits of biotech drugs. India accounts for a ~8% share of the total global generics market, by volume, indicating a huge untapped opportunity in the sector. Outsourcing to India is projected to grow following the discovery and manufacture of formulations. India's biotech start-ups attracted investments worth USD 2.8 billion between 2012 and February 2017. In FY16, bio-services accounted for the second largest segment in India's biotechnology industry with 18% market share and a market size of USD 1.98 billion. *(Source: IBEF)*

Outlook

By 2024-25, India's biotech industry is estimated to increase to USD100 billion. India's indigenous biotech sector has risen rapidly in recent years, with the country's bio-pharmaceuticals industry leading the charge. Given increasing private investment in R&D and the sector's relatively low starting point, there remains immense potential for growth in bio-pharmaceuticals, bio-services and bio-agriculture. As per the 12th Five-Year Plan, the government aims to spend USD 3.7 billion on biotechnology compared to USD 1.1 billion in the 11th Five-Year Plan.

(Source: IBEF)

Government initiatives

- The Union Budget 2017-18 allocated Rs. 2,222.11 crore towards the Department of Biotechnology, an increase of 22%, to continue implementing the department's national biotech strategy and increase turnover from the sector to USD 100 billion by 2025 from USD 7 billion in 2016.
- The Telangana Government inked a MoU with Cerestra to create a sophisticated modular plug-and-play infrastructure for pharmaceuticals, biotech and medical devices industry with a corpus of Rs. 1,000 crore.

(Source: IBEF)

Global Active Pharmaceutical Ingredient (API) industry overview

North America dominates the API market, with the US accounting for the major share. This can be attributed to the increase in the increasing incidence of chronic diseases, increasing focus of governments on the adoption of generic drugs, rising demand for biologics and specialty drugs, and technological advances in API manufacturing in this region.

By end-2017, the worldwide demand for APIs reached USD 92 billion, split between captive production (USD 44 billion) and the merchant market (USD 48 billion). The merchant market is further divided into generics (USD 35 billion) and custom synthesis (USD 13 billion). Currently, >3,000 API manufacturing groups are operating across the globe. The majority of API groups, 64% or 1,955 corporations, are classified as local. These companies are focused on or may only be capable of supplying their domestic market or less regulated markets. There are currently 542 API manufacturers (18%) classified as established, which means that these companies are capable of catering to highly-regulated markets such as the US and the EU. *(Source: Markets and Markets, Clarivate, Reuters, EFCG)*

Growth drivers

The factors driving market growth include increasing incidence of chronic diseases, rising prevalence of cancer, technological advancements in API manufacturing, growing importance of generics, rapidly increasing geriatric population, increase in Abbreviated New Drug Applications (ANDAs) and increasing uptake of bio-pharmaceuticals. *(Source: PR News Wire, Markets and Markets)*

Challenges and concerns

Factors such as stringent regulatory requirements and unfavourable price control policies across various countries could restrain market growth. Generic companies are finding that mergers, acquisitions and regulatory issues have taken some facilities out of the running. Generic API manufacturers are challenged by the need to develop syntheses that don't infringe on patents while keeping costs low. Regulatory requirements are tightening and could continue to do so with a push for more transparency in the supply chain. This could result in requiring certification for good manufacturing practices for key intermediates and raw materials. Environmental regulations, especially in China, are putting a pressure on corporations to remedy pollution problems. Some plants are being shut or moved, causing capacity issues and supply chain interruptions from raw materials to intermediates and APIs. *(Source: Clarivate, Markets and Markets)*

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Outlook

The global API market is poised to grow at a CAGR of ~6.6% over the next decade to reach approximately USD 238.8 billion by 2025. New APIs may not be simple small molecules but more complex, potent APIs and biologics, which require specialised equipment and dedicated facilities. *(Source: EFCG. Clarivate, PR News Wire)*

Indian API industry overview

The Indian API industry has been witnessing remarkable growth owing to patent expiry of blockbuster drugs, increasing demand for low-cost generics and new-gen APIs. The Indian API domestic consumption market is forecast to grow at a CAGR of ~10% till 2022. India and China are the major suppliers of APIs to North America due to their large production capacities, low labour costs and presence of a large number of global and domestic players. In order to cut down on expenses and increase profits, more companies have begun outsourcing APIs to developing countries like India. *(Source: Mordor Intelligence, RNCOS)*

Global enzymes industry overview

Enzymes are macromolecular biological catalysts, it speeds up (catalyze) chemical reactions converting a specific set of reactants (called substrates) into specific products.

Food and beverages remain the largest application area for industrial enzymes and are expected to witness robust growth on account of rising disposable incomes coupled with a growing demand for nutritious diets. The increasing use of industrial enzymes in sugar, dairy and meat processing industries could catalyze growth. The industrial enzymes market was worth USD 6.107 billion in 2017. *(Source: Business Wire)*

Outlook

The industrial enzymes market is projected to witness a CAGR of 6.92% to reach USD 8.536 billion by 2022. Booming processed food and beverage industry is augmenting the demand for industrial enzymes to enhance the product's texture, taste, and flavour. Rising demand for cosmetics and personal care products due to growing global aging population and awareness are contributing to the global industrial enzymes market growth. *(Source: Grand View Research, Business Wire)*

Indian enzymes industry overview

India imports about 70% of its enzyme consumption. Pharmaceutical enzymes represent the bulk of the demand in India, covering ~50% of the total demand, followed by detergent enzymes (20%) and textile enzymes (20%). *(Source: SIS international, Pharmaion)*

Outlook

The Indian industrial enzymes market is forecast to surpass USD 361 million by 2020 on account of increasing food processing facilities, growing number of tanneries and rising textile manufacturing facilities in the country. The food enzymes market is expected to reach USD 2.7 billion by 2022, growing at a CAGR of 8.1% till 2022. *(Source: Mordor Intelligence, Pharmaion)*

Environmental solutions industry overview

Wastewater management

The global water management market for 2017 was estimated at >USD 652 billion, a growth rate of 5.7% in the industrial segment and 3.8% in the municipal segment. India's total water and sanitation sector is worth USD 420 million, growing at 18%. The wastewater treatment market in India is projected to grow at a CAGR of >12% till 2021 on account of increasing water pollution, rapid urbanisation and stringent regulation. Growing demand for smart water management solutions – including water reuse and zero liquid discharge technologies – in the industrial segment is increasing the growth of the wastewater management market. *(Source: World Bank, Techsci Research)*

Solid waste management

62 million tonnes of garbage is generated annually by 377 million people living in urban India. As the Indian economy expands and material consumption rises, a major challenge will be the management and containment of solid waste. By the year 2047, municipal solid waste generation in India, is expected to reach 300 million tonnes, entailing a land requirement of 169.6 square kilometres for disposing this waste. This also represents a significant increase in per capita waste generation from 1.2 kilograms to 1.42 kilograms per day over the next fifteen years. Effective waste management requires integrated systems that are efficient, sustainable, and socially-supported. Over the last few years, the scope for PPPs in municipal solid waste management has expanded. Different models with different approaches for the assessment of risks and responsibilities of stakeholders are being adopted. Cities such as Mumbai, Surat, Faridabad, Agra and Dhanbad have entered into

arrangements with private players. The municipal solid waste sector has a portfolio of 33 key PPP projects involving a combined investment of ~Rs. 60 billion. In terms of investments, 40% of the projects have been completed, 7% are at various stages of implementation, 42% have been recently awarded, 9% will be taken up in the future and the remaining 2% have been stalled. *(Source: World Bank)*

Government initiatives

- The Ministry of State for Housing and Urban Affairs allocated Rs.300-crore in procuring machines for collection, transport and storage of solid waste, establishment of decentralised treatment plans and operationalisation of special machines for the upkeep of drains and sewers.
- The Central Government allocated Rs. 620 billion towards the Swachh Bharat Mission for the construction of two crore toilets during the financial year.
- Under the Swachh Bharat Mission, a sum of Rs. 74.24 billion was allocated for solid waste management projects across 4,041 towns.
- Under the AMRUT scheme, 574 septage management and sewerage projects were planned for an investment of Rs. 205 billion.
- An investment of ~Rs. 40.14 billion was allocated towards solid waste management projects under the Smart Cities programme.

(Source: Livemint, Hindu Business Line)

Challenges and concerns

With rapid urbanisation, the country is facing massive waste management challenges. Increasing along with it is one of the more unpleasant by-products of urban living: municipal solid waste. Cities are centres of garbage generation, increasing faster than population growth. The waste generated by urban residents has nearly doubled in ten years: from 680 million tonnes per year to >1.3 billion tonnes per year. Increase in costs of dealing with waste poses especially significant problems for developing countries. Today it costs ~USD 205 billion to manage municipal waste worldwide and by 2025 that cost is expected to increase to >USD 375 billion.

(Source: World Bank)

Outlook

Overall, the municipal solid waste management sector offers opportunities. Urban local bodies will step up efforts to effectively develop and manage solid waste infrastructure. A number of waste-to-energy initiatives have been taken up and decentralised systems are being explored. Going forward, standalone and integrated solid waste projects will be undertaken. The services will expand to newer and smaller urban centres.

Business segment: Property rental

DIL entered the property development business in 2012, following the establishment of a state-of-the-art IT park in one of Thane's prime locations. The project, Thane One, is spread across ~200,000 square feet and is home to some of the marquee brands in the country including Tata Technologies Limited, Ashok Leyland Limited, Samsung India and Datamark BPO Services Limited among others. >90% of the space is occupied and the rent is subject to revision every few years. The total revenue (standalone) of the Company is generated from property rental which accounted to Rs. 13 crore in FY2017-18.

The year 2016 was a strong year for commercial real estate and the trend continued in 2017. Major cities like Bengaluru, Chennai, Hyderabad, Mumbai and Pune registered a positive absorption scenario > 40 million square feet, which resulting in a steady increase in commercial rental values.

The Thane real estate market offers several locational advantages. It is linked to Mumbai via the Eastern Express Highway and the Eastern Freeway, to Navi Mumbai via the Thane-Belapur Road, to the Central and Western suburbs via Ghodbunder Road and to areas in Gujarat via the Mumbai-Ahmedabad Highway.

The growth of flyovers, highways and wide roads has changed the image of Thane as an urban agglomeration. Besides, a proposed 32-kilometre Metro link from Wadala to Kasarvadavali will further ease the commute for Thane residents. Arterial roads like the Pokhran Road and the Ghodbunder Road offer road access to neighbouring localities.