

Kolkata's KCT Group buys HSBC's office building in South Mumbai

Synopsis

The transaction assumes significance as South Mumbai has not seen a large independent commercial building sale on an outright basis for a long time.



HSBC has sold a few other real estate assets over the last few years. In 2015, HSBC sold its land parcel spread over 1.4 acres next to Doordarshan Tower in Mumbai's Worli locality to K Raheja Corp for Rs 230 crore.

Kolkata-based KCT Group has bought an 108-year-old prime commercial building owned by the Hong Kong and Shanghai Banking Corporation (**HSBC**) at Horniman Circle in South Mumbai's Fort locality for over Rs 83 crore, two people with direct knowledge of the development said.

The transaction assumes significance as South Mumbai has not seen a large independent commercial building sale on an outright basis for a long time.

This is the second prime South Mumbai property acquired by the conglomerate also known as Karam Chand Thapar Group that has business interest in sectors ranging from coal, real estate, aquaculture and manufacturing.

The ground plus three-storey, neoclassical art deco building near the **bank's** India headquarters currently houses the offices of HSBC Asset Management and the bank's operations.

"The deal was concluded and registered a few days ago. The property is among the few iconic colonial era buildings that are still in fine condition and is also one of the rare commercial buildings in South Mumbai with single ownership," said one of the persons mentioned above.

In August 2020, ET had broken the story about HSBC putting the marquee property on the block.

The land for the property was acquired in 1888 and construction of the Grade II heritage property was completed in 1912. HSBC has been the single owner and occupier of the property since the 1970s. The bank holds a 999-year lease for the plot on which the building stands.

HSBC confirmed the transaction, but ET's email queries to KCT Group remained unanswered until the time of going to press. Transaction advisor, CBRE South Asia, declined comment for the story.

According to the people cited earlier, some of the departments and operations

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of HSBC have already been shifted to the bank's nearby headquarters on Fort's MG Road and some functions have been moved to the bank's offices in Mumbai's suburbs.

The building stands on a quarter-of-an-acre plot and the structure has a built-up area of 32,000 sq ft including a basement.

HSBC has sold a few other real estate assets over the last few years. In 2015, HSBC sold its land parcel spread over 1.4 acres next to Doordarshan Tower in Mumbai's Worli locality to **K Raheja Corp** for Rs 230 crore.

In 2011, the bank, along with joint owner Standard Chartered, sold Bishopsgate, a residential building in upscale Breach Candy, for Rs 272 crore to Peninsula Land, an **Ashok Piramal Group** company.

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