CREDAI
MANGALORE

# The Newsletter of CREDAI MANGALORE

April 2025

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CREDAI
MANGALORE







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## Our Vision

*Empowering Mangalore's growth story by creating a vibrant platform that inspires innovation, fosters collaboration and celebrates the transformative power of real estate. Our newsletter is your gateway to insights, opportunities, and milestones that shape the future of our city and its thriving community.*

*From the*

# Chief Editor

Dear Readers, It gives me immense pleasure to pen this editorial for the CREDAI Mangalore Newsletter — a platform envisioned to inform, inspire, and ignite dialogue within the real estate ecosystem of Dakshina Kannada. The real estate sector in our region is undergoing a dynamic transformation. With infrastructural projects gaining momentum, regulatory clarity improving, and the spotlight shifting to tier-2 cities like Mangaluru, the time is ripe for builders, developers, and allied industries to seize the moment. The advent of digital mapping, streamlined approval processes, and the push for sustainable urbanization signal a new era of structured growth. CREDAI Mangalore, as a collective voice of the region's builders, is poised to play a catalytic role in shaping this future.

One of the most promising narratives emerging in this space is the rise of women entrepreneurship in real estate and allied sectors. Once considered a male-dominated arena, today we see more women not only participating but leading from the front — as architects, developers, legal consultants, and interior designers.

Their unique perspectives, attention to detail, and people-centric approach are redefining how we build spaces and relationships. At CREDAI Mangalore, we are proud to foster such diversity and are committed to creating more inclusive opportunities through our Women's Wing initiatives. This newsletter is not merely a bulletin; it is a bridge. A bridge that connects our members, policymakers, industry partners, financial institutions, and citizens. Through interviews, insights, legal updates, market trends, and highlights of exemplary projects and professionals, we aim to spark meaningful conversations and spotlight the efforts that often go unnoticed. As the saying goes, "a rising tide lifts all boats" — and we hope this publication contributes to elevating the entire community. We also intend to keep our members abreast of state-wide CREDAI updates, government notifications, sustainable practices, taxation matters, and emerging technology trends relevant to the real estate sector. In doing so, we hope to foster a knowledge-driven, future-ready ecosystem. As we turn the pages of progress together, let us remember that "success doesn't come from what you do occasionally, but what you do consistently." With unity, transparency, and a shared vision, the possibilities are limitless. Happy reading — and here's to building not just structures, but a stronger, more connected Mangaluru.

> *"One of the most promising narratives emerging in this space is the rise of women entrepreneurship in real estate and allied sectors. Once considered a male-dominated arena, today we see more women not only participating but leading from the front — as architects, developers, legal consultants, and interior designers."*

**Hazel Cardoza**
Chief Editor

## From the President's Desk

The Union Budget 2025-26, presented by Hon'ble Finance Minister Smt. Nirmala Sitharaman, has set the stage for an era of accelerated growth and revitalization in the real estate sector. With a strategic focus on urban infrastructure, housing, and commercial expansion, the budget lays down a progressive roadmap that will have a profound impact on Mangalore's evolving landscape.

> *"As multinational corporations set up innovation hubs, Mangalore stands to gain as an emerging destination for co-working firms and IT-driven developments beyond traditional metros."*

The introduction of the ₹1 lakh crore Urban Challenge Fund will be a game-changer for city rejuvenation. By enhancing multi-modal connectivity and transit-oriented development, emerging transport corridors will witness a surge in demand for residential and commercial properties, positioning Mangalore as a preferred investment hub. The launch of SWAMIH Fund 2, with a ₹15,000 crore corpus, is a pivotal move to fast-track stalled housing projects. This initiative will not only benefit over 1 lakh homebuyers but also unlock much-needed liquidity in the sector, bolstering investor confidence and paving the way for robust housing development. With the government's push to develop cities as economic growth hubs, demand for office spaces and commercial real estate is set to rise exponentially. The influx of MNCs will drive the adoption of co-working spaces and flexible office solutions, ensuring a dynamic and sustainable commercial ecosystem. The expansion of Global Capacity Centres (GCCs) is expected to bring in fresh investments, further propelling demand for commercial and residential spaces. As multinational corporations set up innovation hubs, Mangalore stands to gain as an emerging destination for co-working firms and IT-driven developments beyond traditional metros. By seamlessly integrating infrastructure expansion, housing revival, and tax reforms, this budget has provided a robust framework for long-term real estate growth. The emphasis on urban development and commercial expansion ensures that Mangalore remains on the path of progress and modernization.

We have strongly advocated for equal treatment in property registration and valuation, emphasizing the need for a uniform policy on E-Aasthi/Khata issuance. Additionally, we are pushing for slab-wise discounts on non-developed projects, which will help developers manage costs effectively while ensuring fair pricing for homebuyers.

One of the pressing issues we have raised with the Mangalore City Corporation (MCC) is the unjust property tax practices that disproportionately burden developers. We have requested immediate reforms to bring about a rationalized and equitable taxation structure, ensuring that taxation policies do not hinder sustainable growth in the sector. The efforts undertaken by CREDAI Mangalore to drive policy reforms and equitable practices will ultimately benefit developers, homebuyers, and the broader economy. By ensuring regulatory clarity, fair taxation, and streamlined approvals, we are creating an environment that fosters sustainable urban growth and economic prosperity.

As we navigate these transformative times, it is essential to remember that *"Rome wasn't built in a day."* The journey towards progress and excellence requires collaboration, persistence, and a shared vision.

**Mr. Vinod A.R. Pinto**
President
CREDAI Mangalore

# CATALYZING CONSTRUCTION INNOVATION: THE ROLE OF INDUSTRY ASSOCIATIONS LIKE CREDAI IN EMPOWERING STARTUPS THROUGH MISSION UTTHAN

In the aftermath of World War II, several nations invested deeply in innovation and technology. Whether it was computing, medicine, automobiles, electronics, or defense, these investments laid the foundation for their rise as global economic powerhouses. Today, these countries dominate both economically and militarily. The takeaway is clear innovation and technology are the greatest accelerators of collective human progress.

> *Prof. Ajay Sood, Hon'ble PSA to the Government of India, aptly puts it:*
> *"While India's top-tier institutes have been at the forefront of innovation, true national progress requires an inclusive approach."*

India may have missed that initial wave, but over the past decade, the nation has made remarkable strides in fostering innovation across sectors—defense, telecommunications, space, and renewable energy included. Today, India stands as the third-largest startup ecosystem in the world, with over 1.7 lakh registered startups. During its G20 presidency, India even introduced Startup20, an international recognition of startups as key drivers of wealth creation, employment, innovation, and as enablers of the UN's Sustainable Development Goals.

However, there remains an uneven distribution of these startups. The majority are concentrated in metro ecosystems such as Bengaluru, Hyderabad, NCR, Pune, and Chennai. Tier 2 and Tier 3 cities like Mangaluru, Mysuru, Vijayawada, and Visakhapatnam still struggle to retain or attract startups due to weak local ecosystems. This imbalance not only leads to a migration of talent but also fosters regional economic disparity.

While the government has introduced policy-level support to foster innovation in smaller cities, it is the industry that must lead the transformation. History shows us that ecosystems like Silicon Valley, London, and Singapore have thrived due to strong corporate and industry backing. While the government can support early-stage R&D, product development, and IP creation, it is industry engagement that sustains and scales innovation.

### The Opportunity for Real Estate Industry

India's real estate industry is on a fast track—currently growing at a CAGR of 19%, and projected to reach $985 billion by 2030. It is second only to agriculture in employment, providing jobs to over 71 million people. With rising urbanization, government schemes like PMAY (Awas Yojana), and upward economic mobility, the demand for housing and infrastructure will only rise. This growth will also spill over into allied industries—cement, steel, logistics, and construction tech.

However, this sector is also a significant polluter. Construction accounts for 40% of $CO_2$ emissions and contributes to 35% of global landfill waste. If the real estate sector is to grow sustainably, it must embrace innovation—not just for compliance, but for leadership in green and smart construction.

### The Role of CREDAI

Enter CREDAI (Confederation of Real Estate Developers' Associations of India)—India's apex body of private real estate developers with over

13,000 member developers across 21 states. CREDAI works closely with the Ministry of Housing & Urban Affairs, RERA, and financial institutions. Given its vast reach and influence, CREDAI is uniquely positioned to be a catalyst in bringing startups and sustainable innovation into the construction ecosystem.

In a pioneering move, CREDAI Mangalore has become the first chapter in India to forge such a partnership. It has signed an MoU with Section Infin-8 Foundation, a startup ecosystem enabler, to establish an incubation space within CREDAI—a first-of-its-kind initiative under the Mission UTTHAN and MiTTi programs supported by the Office of the Principal Scientific Adviser (PSA) to the Government of India.

**Mission UTTHAN – Bridging the Innovation Divide**

Mission UTTHAN is a visionary national initiative launched by the Office of the PSA. It seeks to democratize access to innovation by empowering Tier 2 and Tier 3 institutions and regions with cutting-edge research infrastructure, global collaborations, and industry partnerships.

Prof. Ajay Sood, Hon'ble PSA to the Government of India, aptly puts it:

"While India's top-tier institutes have been at the forefront of innovation, true national progress requires an inclusive approach. Mission UTTHAN is designed to bridge this gap, enhancing the research ecosystem of Tier 2 and Tier 3 institutions through Industry partnerships, global collaborations, and capacity-building efforts that will drive long-term socio-economic impact."

**The mission focuses on five key pillars:**

1. Industry-Academia Synergy: Internships, faculty exchanges, research fellowships.
2. Global Expertise: Sabbaticals, joint degree programs, international think tank collaborations.
3. Rural Technology Development: Frugal innovation, rural incubation centres.
4. Innovative Learning Models: Phygital courses, women in STEM leadership programs and so on.
5. Academic Capacity Building: IPR, statistical analysis, and research methodology training.

CREDAI Mangalore's incubation centre, in partnership with Section Infin8 Foundation, will act as a bridge between startups and real estate stakeholders. The collaboration will enable:

- Knowledge exchange on green buildings, ESG frameworks, and smart materials.
- Joint innovation projects with academic and research institutions.
- Capacity-building workshops for real estate professionals, regulatory authorities, and startup founders.
- Mentorship clinics for startup founders on growth strategy, risk management, and market validation.
- Community projects through social impact startups, especially for the urban poor and bottom-of-pyramid beneficiaries.

**Why Industry-Startup Collaboration Matters**

For the industry, this is an opportunity to stay ahead of the curve, innovate responsibly, and reduce environmental impact. For startups, this provides much-needed access to real-world problem statements, markets, and mentorship.

A common cause of startup failure—lack of product-market fit—can be overcome when startups work closely with industry from day one. Nearly 42% of startups fail because they build products no one needs. Validating ideas with the industry and adapting solutions based on real-time feedback can significantly increase success rates.

**Conclusion: A National Imperative**

The future of India's socio-economic growth lies at the intersection of industry and innovation. Initiatives like Mission UTTHAN, when embraced by influential industry bodies like CREDAI, can catalyse inclusive development, sustainable growth, and regional equity. As the construction industry grows, so must its commitment to green innovation, startup collaboration, and societal responsibility.

**Dr. Inv. Shivakiran Makam**
Director – Strategy & Collaborations
Section Infin-8 Foundation, Mangalore.

# NAVIGATING THE ALLOWABILITY OF INPUT TAX CREDIT (ITC) ON IMMOVABLE PROPERTY UNDER GST: A DEEP DIVE INTO THE LEGAL INTERPRETATIONS, JUDICIAL DECISIONS AND POLICY CLARIFICATIONS

The introduction of the Goods and Services Tax (GST) in India marked a transformative shift in the country's indirect tax system. One of the key features of GST is the Input Tax Credit (ITC) mechanism, which allows businesses to offset the taxes they have paid on inputs (goods or services) against the tax liabilities they owe on outputs (sales of goods or services).

ITC has become a cornerstone of the GST framework, especially for industries with significant input costs, as it helps in reducing the overall tax burden on businesses. In principle, businesses can reclaim the tax paid on purchases related to their goods and services, provided they meet certain conditions stipulated under the GST Act.

> *The treatment of ITC on immovable property is a matter of immense importance for real estate developers, builders, and construction companies. It impacts everything from project costs to cash flow management and ultimately, the final pricing of real estate for consumers.*

The real estate and construction sectors are of particular interest when discussing ITC because of the substantial costs involved in the acquisition of materials and services required for constructing buildings or infrastructure. In these sectors, immovable property—land, buildings, and other construction-related assets—forms the backbone of operations. However, the eligibility for ITC claims on immovable property has been a subject of considerable debate and legal interpretation, primarily due to the complexities involved in determining what qualifies as a business use and how it relates to the broader objectives of GST.

For example, a real estate developer may incur substantial expenses on construction services, materials, and land procurement, all of which are subject to GST. The ability to claim ITC on such expenses can significantly affect the profitability and financial viability of construction projects. On the other hand, the restriction of ITC on immovable property, especially when the property is not used for business purposes (e.g., personal use or residential purposes), can impose a higher tax burden on developers and businesses.

### Early Interpretations Of Itc On Immovable Property

The treatment of ITC on immovable property is a matter of immense importance for real estate developers, builders, and construction companies. It impacts everything from project costs to cash flow management and ultimately, the final pricing of real estate for consumers.

At the outset, the GST regime created ambiguity regarding the allowance of ITC on immovable property. There was a confusion about how construction services would be treated under GST and whether developers and builders could claim ITC on inputs such as construction materials, labour services, and other building-related services. This ambiguity stemmed primarily from the nature of immovable property itself, which was traditionally treated differently under indirect tax laws. The real estate sector, being heavily dependent on land and construction services, was directly impacted by these ambiguities.

Further complicating matters was the fact that, under GST, land and buildings were not subject to tax in the same way as other goods and services. While construction services would generally attract GST, the treatment of immovable property itself as either a taxable good or a non-taxable asset led to confusion about how ITC could be claimed for related inputs.

Under the CGST Act, Section 17(5) restricts the claim of Input Tax Credit (ITC) for goods and services used in constructing immovable property, except in certain cases. The primary condition is that ITC cannot be claimed on properties unless they are intended for business use.

For example, A Developer constructing residential apartments for sale cannot claim ITC on construction materials and services. However, if the property is leased out or used for business purposes, such as commercial rentals, ITC can be claimed.

The rationale behind this restriction is to ensure that ITC benefits are limited to properties used for taxable business activities. Residential properties are largely excluded unless used for business purposes, such as commercial leasing.

While this provision is aimed to prevent the misuse of ITC, it created challenges for the real estate sector. Developers of residential properties could not claim ITC on construction costs, increasing project costs, which were often passed on to buyers.

**Judicial Decision In The Safari Retreats Pvt. Ltd. Case**

The Safari Retreats Pvt. Ltd. case was a landmark decision in the interpretation of Input Tax Credit (ITC) for immovable property under GST. Safari Retreats, a real estate developer, sought to claim ITC on the construction services and goods used in the construction of theircommercial projects which were further rented out. The central issue was whether ITC could be claimed on construction costs for properties intended for sale or leasing, which are considered business activities.

Under Section 17(5) of the CGST Act, ITC on construction materials and services is generally restricted when used for construction of immovable property. The lower court however ruled in favour of Safari Retreats, stating that construction for sale or lease should be treated as part of the developer's business, thus making it eligible for ITC. This marked a shift from earlier interpretations, where rental income from commercial properties were largely excluded from ITC claims.

The High Court upheld the lower court's decision, emphasizing that the construction of residential properties for sale or lease is essentially a business activity, and therefore, should be eligible for ITC. This ruling provided clarity and was welcomed by the real estate sector, which had been burdened with higher tax costs due to the restrictive ITC provisions.

The Supreme Court ruled that builders and developers could claim Input Tax Credit (ITC) on construction costs for buildings used for taxable services like renting or leasing. In doing so, the Court clarified that the term "plant or machinery" in Section 17(5)(d) is broader than the definition of "plant and machinery" in Section 17, allowing for buildings to be considered "plants" if they meet the "functionality test." This means that a building/mall may qualify as "plant" depending on its specific business use, thereby enabling the claim of ITC

### Gst Council's Clarification

In response to the Supreme Court's judgment in the Safari Retreats Pvt. Ltd. case, the GST Council recommended amending the provision to replace the term "plant or machinery" with "plant and machinery". This change would be retrospective, taking effect from July 1, 2017—the date when GST was first introduced. The rationale behind this amendment is that the original use of the phrase "plant or machinery" was a drafting error, which the proposed revision seeks to correct.

This amendment effectively nullifies the Supreme Court's ruling and reintroduces the restriction on ITC claims for construction services related to immovable property. This decision has significantly impacted commercial real estate developers, who had previously relied on the Supreme Court's interpretation to claim ITC on construction costs for properties intended for lease. The retrospective nature of this change means that it could have broader implications for businesses that had already made claims based on the earlier judicial interpretation.

### Conclusion

The real estate sector must stay adaptable to future changes in GST laws, as ongoing discussions will likely continue to impact the tax landscape. While the recent restrictions on ITC eligibility for immovable property have created challenges, further refinements in the GST regime are expected to address sector-specific issues. Businesses should stay updated on evolving tax policies to better understand their impact on project costs and profitability. In conclusion, while some clarity has been gained, the journey of ITC on immovable property remains fluid, and continuous legal and policy clarifications will shape the future of the real estate sector.

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Prasanna Shenoy & Co
Chartered Accountants

## FROM TILED ROOFS TO TOWERS

I have enjoyed an intimate view of Mangalore's journey in real estate growth, from childhood to the current day, drawing from observations of family involvements in this sector.

I was just 12 years old in 1977 when my father, JM Lobo Prabhu pioneered and completed construction of the very first high-rise apartment building in Mangalore, with the historic "Lobo Prabhu Court" on Light House Hill. It came up on what was our family's tennis court. His venture was met with ridicule because Mangaloreans with spacious independent houses and lush gardens could not imagine a demand for homes in a multi-storeyed structure. Nevertheless, this single landmark forever changed the landscape of a quiet roof-tiled town into one of vibrant vertical growth. Having been an administrator as an ICS officer, he correctly gauged that an urban space in a coastal area limited by the sea and topography would grow with a vertical, rather than a horizontal, push. The 48 apartments he constructed took their time to sell, but gradually found their market among migrants to Mangalore from other places, and also expatriates returning from employments in the Gulf who needed ready-built and compact homes. Merit was found in this concept over time, and the 1980's found a few more apartment buildings come up in central locations of the city.

One might say that "apartment culture" came to stay in Mangalore from the mid-1990s onwards. Iraq's Invasion of Kuwait in 1990 sent another wave of expatriates back to the security of the hometown. It was further refined with a tilt towards luxury complexes that enjoyed sporting facilities, swimming pools, clubhouses and other features for pampered residential experiences. There was a slump with over-supply which followed the meltdown of Asian Tigers in 1997. Nevertheless, the stock of apartments did find takers. Though not necessarily from outright sales, robust demand for rental accommodation kept constructed projects occupied.

Having left government service for entrepreneurship in the year 2000, entering the real estate arena as builders was daunting, considering weak market sentiment at the time. Dharmendra Mehta was however confident of his theory of the Indian markets: money flows from real estate- stock market- bullion to return cycle. Though not mutually exclusive, he felt the tide would inevitably return towards real estate and the best way was to anticipate and capitalize on this probable demand. It did happen that following the 9/11 attack on the World Trade Center, fearing a prospect of global recession, the USA became an active investor in emerging markets. This inflow stimulated economic activity in India too, which happened across sectors, with an inevitable upturn for realty percolating even to a small city like Mangalore.

> *"Nevertheless, this single landmark forever changed the landscape of a quiet roof-tiled town into one of vibrant vertical growth."*

For us, the time felt right to diversify beyond apartments into a high-end commercial complex. Sure enough, a strategically located building located in the city's Central Business District attracted every big financial name and service-provider seeking to tap the potential of this wealthy coastal city, including the first foreign bank to raise its shutters here. Mangalore is today dotted with other handsome commercial complexes offering high-end services and specialized professional expertise.

I recall visiting the city of Hyderabad in 2005, which appeared to be ahead of other Indian cities in its malls and multiplexes. Our own city of Mangalore was however not far behind. Bharath Mall introduced Mangaloreans to the Mall-Multiplex format. April 25th this year will mark 15 years of the commencement of City Centre Mall in 2010, which at the time was Karnataka's second largest mall and India's 10th largest. Renowned national and global brands could now be accessed in a single large location. A vibrant Mall-Multiplex scene has given a more cosmopolitan feel to the city.

Over the next few years, the real estate sector has emerged as a potent economic force in powering up the development of Mangalore. Constructed projects vie for prizes in niche categories. CRISIL ratings and Green Certifications enjoy their USP. Skyscrapers and mega-apartment complexes represent large format residential offerings. Gated colonies, mostly in the outskirts, are also making an appearance. The next thrust is to make Mangalore an Information Technology hub which would offer a powerful stimulus to the construction sector, and a few such are already in active operation. The current global scene of tariff wars and visa restrictions could play out interestingly, with mixed results for the construction sector. Much will depend on whether economies everywhere will hold their own or feel the effects of a possible recession with perhaps an added element of inflation. It is too early to predict how the market will play out.

A brochure is the starting point of selling dream homes. The advertising typically pushes features which seek to make a project stand out from others, the word 'luxury' being essential for any sales pitch. Facilities might be rather under-utilized, once the initial hype of their inclusion dies out. A swimming pool, for example, now comes with the added responsibility of maintaining lifeguards as mandated by the law, which is an added maintenance expenditure for buyers; even elite projects contemplate re-purposing them as gardens and play areas. Contrast this with buildings in cities like Mumbai where a project with very basic facilities finds its takers. It suggests that the market is still not a large one, wooing just a small section of the affluent or aspiring. In my opinion, realty would attain true maturity when a down-to-earth approach builds homes which are affordable and practical. While there are certainly takers for elite offerings at a high end of the market, one might also eye a wider catchment for robust and sustainable demand. I realize that one of the constraints of this suggested approach would be the very high cost of land when builders go to the market as buyers. Every seller of land is influenced by the highest price achieved in a locality, convinced that the price commanded for a high-end project applies across the board for all transactions. It's not like one has empirical data, but a gut feeling that high land prices and expensive projects targeted at niche markets tend to feed each other.

There's also a wider geographical spread as the construction industry increasingly expands its footprint to far-flung areas. It is a common-sense observation that an increasing density of concrete structures, alongside a rapidly diminishing green cover, is showing up as one of the reasons for the climate extremes we now experience. As a point of principle, one's choice has been to decline construction opportunities in places felt to be ecologically sensitive, irrespective of financial rewards. There is also a lot of curiosity that we have opted for a family home on prime real estate rather than subject it to a lucrative commercial application. Though the child of Mangalore's pioneer builder, it is a conscious decision to honor roots, reimagining a family home, while being guardians of the surrounding greenery and the living beings it supports. It also expresses a conviction that from tentative beginnings, the construction industry in Mangalore is in very high gear and a few misses from personal choice will not affect its rapid pace of growth.

**Mrs. Giselle Mehta**
Ex IRS,
Director Allegro Ventures India Pvt Ltd

## PIDILITE'S ONE STOP SOLUTION FOR MODERN DAY ROOFING REQUIREMENTS

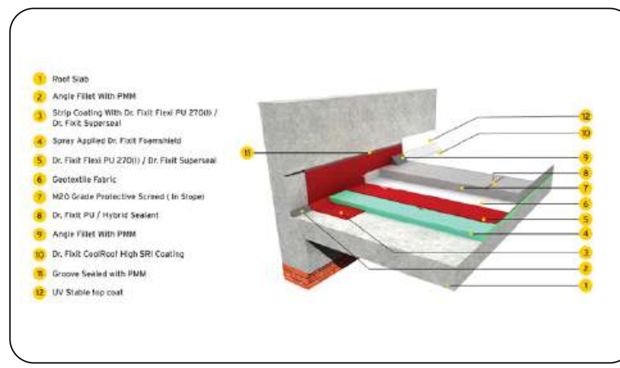
With climatic change causinguntimely rains and steady rise in temperatures, world over, buildings definitely require 100% leak free and heat free roofing system, with enhanced performance. With several state governments in India mandating the implementation of the Energy Conservation & Sustainable Building Code (for commercial and office buildings) and Eco-Niwas (for residential buildings), insulating the roof has now become an increasing need.

Foreseeing the modern-day roofing requirements, Pidilite has developed Low Energy Consumption systems which is a seamless application combined with awaterproofing to offer a comprehensive integrated system for roofs. Over the past decade,this system has been received well and applied over 700,000sq.m., completed across 200+ projects in India.

This system is designed to meet with the IS 12432 Standard, sPart-3.

It comprises of a spray applied polyurethane foam insulation which is done on the mother roof slab to the desired thickness depending on the U Values (Thermal transmittance) requirement, creating a fully bonded, seamless and monolithic jointless insulation system. Thise spray-applied PUF(Polyurethane Foam) is further sealed with an elastomeric polyurethane or a liquid applied hybrid polyurea waterproof coating. Together, the two layers have high capability to accommodate thermal stresses as well as excellent waterproofing ability. Needless to say, this combination will need to be overlaid with a strong concrete or brick-batcoba screed with appropriate sopes that are directed to the drain points provided on the roof, in accordance with good engineering practices.

Since it is applied under Pidilite's supervision, speed, efficiency and accountability are the main distinguishing features of the system, with long warranty periods.




This integrated system significantly cuts off the radiation of heat through the roof slab by approximately 90%, reducing the load on air-conditioning, enabling major savings in energy costs.

This fully bonded monolithic insulation layer,protects the concrete from thermal stresses, preventingthe development of cracks in the structural concrete in the short & long term. It also effectively barricades latent water migration or seepage

Importantly It helps to garner points under the energy efficiency category for IGBC, LEED and GRIHA certifications.

In view of the above, the insulation & waterproofing systems is the right fit right for requirements of modern-day 'sustainable' & cool roofing systems, enhancing high comfort for human living.

## Pioneering the Future of Real Estate & Innovation in Mangalore!


CREDAI Mangalore is proud to announce a groundbreaking partnership with SI-8, Mangalore's premier Incubation House, through the signing of a historic MoU. This collaboration marks a bold step toward redefining the future of real estate and urban development in our city. With this initiative, CREDAI Mangalore becomes the first city chapter in the country to champion such a transformative alliance—bridging the gap between innovation and the real estate sector. This partnership will pave the way for new-age solutions, technological advancements, and a progressive ecosystem that will shape the skyline of tomorrow. CREDAI Mangalore and SI-8 will spearhead market research, trend analysis, and the development of emerging solutions focusing on green building initiatives, sustainable urban development, environmental, social, and governance (ESG) frameworks, innovative construction techniques, environmental impact assessments, carbon credits, sustainability metrics, and Corporate Social Responsibility (CSR) initiatives. We are igniting a movement that will inspire developers, entrepreneurs, and industry leaders to build a better, greener, and more resilient tomorrow.

## Visit to NITTE Institute of Architecture

We are delighted to share a significant update regarding our President, Mr. Vinod A.R. Pinto, and Mr. D.B. Mehta, who recently visited the prestigious NITTE Institute of Architecture to engage with the final-year Bachelor of Architecture (B.Arch) students. This interactive session was facilitated by the esteemed Director, Dr. Vinod Aranha, and was part of the institute's course on Professional Practice for 10th-semester students. The session was designed to provide students with real-world insights into the building and construction industry. In a candid, discussion-oriented classroom environment, our President and Mr. Mehta shared valuable perspectives. This event underscores CREDAI Mangalore's commitment to fostering industry-academia collaboration, inspiring the next generation of architects, and contributing to their professional development.

**Meeting with MUDA Commissioner:** CREDAI Mangalore, along with members from ACCEI and IIA, met with Noor Zahara Khanam, MUDA Commissioner, to address concerns regarding entry restrictions for architects and engineers at the MUDA office. Key proposals included allowing registered professionals access, implementing a professional ID system, and introducing a Public Liaison Officer (PLO) mechanism for file tracking and transparency.

**Meeting at the New DC Office:** Our President and Executive Committee members met with Shri. Krishna Byre Gowda, Revenue Minister, Shri. Dinesh Gundu Rao, District In-charge Minister, and Shri. Mullai Muhilan, Deputy Commissioner, to present a comprehensive representation on property registration challenges and systematic reforms required in Kaveri 2.0. Discussions covered encumbrance certificate inaccuracies, module integrations, stamp duty reductions, and grievance redressal mechanisms.

**Meeting with the Newly Appointed MCC Commissioner:** CREDAI Mangalore welcomed Mr. Ravichandra Naik, the new MCC Commissioner,

and conveyed our commitment to working collaboratively on initiatives aimed at urban development and regulatory improvements.


**Meeting with the Mangalore Bar Council:** Our leadership met with senior lawyers from the Mangalore Bar Council and MLC Shri. Ivan D'Souza to discuss supporting efforts to establish a Regional High Court in Mangaluru.

**KEONICS IT Park Initiative:** A crucial meeting with KEONICS Chairman Shri. Sharath Bacchhegowda, local leaders, and industry experts was held to discuss the development of Mangalore's IT Park at STPI Blueberry Hills. The meeting emphasized

infrastructure planning, power supply, amenities, and road expansion to create a world-class IT hub.

**Session on Mangalore Water Metro:** Shri. Jayaram Raipura, IRS, delivered an enlightening presentation on the Mangalore Water Metro Project, highlighting its potential to boost tourism, business, and infrastructure development.


**Contribution to Karavali Utsava:** CREDAI Mangalore was honored to support Deputy Commissioner Shri. Mullai Muhilan's, initiative, fostering community unity through the Karavali Utsava.

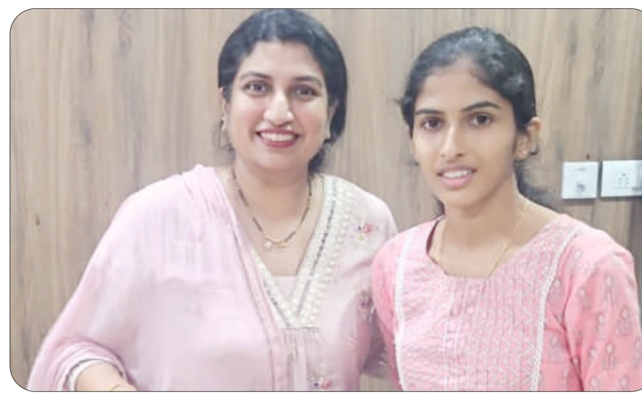

**Participation in the ONGC-MRPL International Kite Festival:** Our members attended the International Kite Festival inauguration at Tannir Bhavi Beach, promoting coastal tourism.

**Cleanliness Drive at Chithrapura Beach:** CREDAI actively participated in a beach cleanup initiative,

alongside the Dakshina Kannada District Administration, Mangaluru Smart City, and local organizations, reinforcing our commitment to sustainable urban development.

**CREDAI Mangalore Backs Art for a Cause at Emerge 2025:** CREDAI Mangalore proudly purchased a traditional painting showcasing Mangalore's rich heritage at the Emerge 2025 Auction. The entire proceeds from this purchase will be donated to Tapasya Foundation in support of their noble initiative to build a palliative care centre for cancer patients at Mudipu, Mangaluru.

**Contribution to Higher Education:** We proudly extended financial assistance to support the higher education of our maintenance staff's daughter, reaffirming our social responsibility.



**Contribution to Differently Abled Patient:** We had the opportunity to extend financial support to a Differently Abled Patient for his medical expenses.

**Tour of the Assembly Hall:** CREDAI Mangalore's members had the privilege of meeting Hon'ble Speaker Shri. U.T. Khader at Vidhana Soudha, where he personally guided them on a tour of the Assembly Hall.

**All Members Meet – January 2025:** CREDAI Mangalore hosted its first monthly meet of the year, featuring an inspirational address by our President, insightful discussions on tourism development, and a special showcase by Pidilite. The event also saw the launch of the revamped CREDAI Newsletter, spearheaded by Chief Editor Mrs. Hazel Cardoza.

**All Members Meet – March 2025:** The All-Members Monthly Meet held on 25th March 2025 was an evening of meaningful dialogue, collaboration, and progress. With an inspiring address by President Mr. Vinod Pinto, an interactive session addressing key member concerns, and a dynamic product showcase by Great White Electricals, the event reflected the spirit of unity and innovation. The evening concluded with networking, engaging conversations, and a warm dinner—reaffirming our shared vision for a thriving real estate ecosystem in Mangalore.

We are thrilled to announce the winners of the CREDAI Karnataka Sports Meet 2025!Team Land Banking Warriors emerged victorious, with Mr. Kiran Shetty from Shree Nidhi Infrastructures securing the Gold Medal and clinching the Overall Championship. Mr. Meraj Yusuf from In-Land Builders was declared Runner-Up and was also awarded Best Goalkeeper for the second consecutive year—a remarkable achievement!

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**Confederation of Real Estate Developers' Associations of India - Mangalore**
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To
The Commissioner
Mangaluru City Corporation
Lalbagh
Mangaluru

Date: 29th March 2025

Respected Sir,

**Subject:** Request for Resolution on Issues Related to Lease Deed Registration and Khata Issuance

We wish to bring to your attention certain critical issues faced by developers, builders, and property owners concerning the registration of lease deeds and issuance of Khata certificates. These challenges are causing unnecessary hindrances in property transactions and tax revenue collection. We request your urgent intervention to resolve the following concerns:

**1. Lease Deed Registration and Subleasing Issues:**

Our members are facing challenges in registering lease deeds wherein there is a provision for subleasing. While we understand that ownership details of the property are auto fetched through Khata during the registration process, the current regulations do not allow original lessees to register the lease deed. This limitation has created considerable disruptions in our ability to enter into sublease agreements with our customers. Furthermore, the registration authority has informed us that they can only proceed with the registration if the Khata is in the lessee's name. This situation is untenable and requires an immediate resolution to facilitate the registration of lease deeds inclusive of subleasing provisions.

**2. Khata Issuance Based on Super built-up Area vs. Carpet Area:**

Another issue pertains to the issuance of Khata under the sale deed. Our members have consistently paid stamp duty based on the super built-up area, and previously, the Mangalore City Corporation had issued Khata for this same area. However, we are now encountering difficulties as the Khata is being issued for a reduced extent, citing that it can only be provided for the carpet area. This discrepancy is problematic since the completion certificate mentions carpet area while the sale deed specifies super built-up area. As taxpayers, our members wish to comply with all regulations and are prepared to pay taxes based on the area acquired as per the sale deed. Limiting Khata issuance to carpet area not only undermines the interests of property owners but also affects the revenue collection for the city, as it may lead to reduced tax revenues.

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Given these circumstances, we urge the Mangalore City Corporation to consider resolutions for both issues outlined above. A clear directive on the registration of lease deeds allowing for subleasing, along with a consistent policy for Khata issuance based on super built-up area, would greatly benefit property owners and enhance compliance with tax obligations.

We appreciate your attention to these matters and look forward to your prompt action to resolve the issues for the betterment of our community.

Thank you for your cooperation.

Looking forward to your positive response and immediate action

Kind Regards

Vinod A.R. Pinto

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Date: 26th January 2025

Shri. U.T. Khader
Hon'ble Speaker
Karnataka Legislative Assembly
Bengaluru, Karnataka.

Respected Sir,

**Subject:** Key Concerns and Recommendations for Improving Property Registration Processes

We wish to bring to your attention a series of challenges and recommendations pertaining to property registration processes and the functionality of the Kaveri 2.0 system. These issues significantly affect the efficiency, fairness, and reliability of property transactions in the region.

1. **Guideline Values for Apartments: -** Problem: Both new and old apartments must be assessed by the CVC, causing delays and complications. - Suggestion: For older apartments already registered, the Sub Registrar should manage the guideline valuation. For new apartments, the District Registrar should determine the valuation based on the approved KASRAC ready reckoner.
2. **Stamp Duty on TDR: - Problem:** The SROs are currently charging stamp duty on the entire TDR instead of the market value of the corresponding property portion, which is against the law. Additionally, the stamp duty rate has increased from 3% to 5%, leading to substantial financial burdens on parties. - Suggestion: Ensure that stamp duty is charged based on the market value of the corresponding property portion, as per the law. Reduce the stamp duty rate from 5% to a more reasonable 0.5% to 1%.
3. **Encumbrance Certificate (EC) Problems with Kaveri 2.0**

   The Encumbrance Certificate (EC) is vital for property transactions, but Karnataka's Kaveri 2.0 system faces critical issues.

**- Key Problems:**

1. **NIL ECs:** ECs often incorrectly show NIL, even for properties with encumbrances like mortgages, misleading buyers.
2. **Failure to Trace Encumbrances:** Important legal details, such as mortgages, are often missing, leaving buyers unsure of property status.
3. **Manual Indexing Stopped:** With no manual backup, verifying encumbrances is nearly impossible when the system fails.

**Conclusion:** Kaveri 2.0's inaccuracies erode trust and complicate transactions. Immediate fixes, like restoring manual indexing, are essential.

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Here are two condensed versions of your text:

4. **Misalignment of Execution Date in Kaveri 2.0 Software**

   Kaveri 2.0 mandates execution dates to align with the uploading date or earlier, often misaligning with actual transaction timelines. This discrepancy causes issues like:

   1. Legal Validity Risks: Misreported dates jeopardize validity.
   2. Limitation Periods: Incorrect dates mislead parties about enforcement timelines.

3. **Priority of Rights: Competing claims are complicated.**

4. **Registration Delays: Sub-Registrars may raise concerns, delaying processes.**

   Under Sections 3(2), 17, 34, and 49 of the Registration Act, accurate execution dates are vital for validity, enforceability, and determining claim priority. Reforming Kaveri 2.0 is essential to ensure clarity and accuracy in property transactions.

5. **Non-Integration of UPOR in Kaveri 2.0: Hindrance to Property Registration**

   The exclusion of UPOR (Urban Property Ownership Record) from Kaveri 2.0 has disrupted agricultural property registration in Mangalore City Corporation.

   UPOR, designed to replace traditional property documents, became mandatory for registration. However, its de-linking from Kaveri 2.0 now prevents agricultural property registrations in 32 villages. Despite integrating e-Swathu, Kaveri 2.0 lacks the functionality for UPOR-based registrations, wasting significant project investments and creating a bureaucratic standstill.

   Immediate integration of UPOR into Kaveri 2.0 is essential to enable smooth property transactions, relieve burdens on property owners, and restore the system's intended purpose.

6. **Inability to Register Undivided Rights in Kaveri 2.0**

   The Transfer of Property Act 1882 allows co-owners to transfer their undivided share in a property without physical partition. However, Kaveri 2.0 does not support the registration of these undivided rights, creating significant obstacles for property transactions. Despite Section 44 of the Act permitting such transfers, Kaveri 2.0 blocks the registration of undivided shares, preventing co-owners from selling their interest in the property. This issue results in delays and confusion for property owners, hindering legitimate property transactions. Integrating the registration of undivided rights into Kaveri 2.0 is essential for smoother property transfers.

7. **The Issue of Posthumous Will Registration in Kaveri 2.0**

   Under Section 40 of the Indian Registration Act, 1908, a will can be registered posthumously, allowing beneficiaries to validate the

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testator's wishes after their death. However, Kaveri 2.0 does not support this process, preventing the registration of a legally valid will after the testator's passing. This oversight causes delays in property transfers and creates complications for beneficiaries in asserting their inheritance rights. Without the ability to register posthumously, legal disputes may arise, requiring court intervention. The inclusion of this functionality in Kaveri 2.0 is essential to ensure smooth and timely property transactions posthumously.

8. **Inability to Register Documents Pertaining to Car Parking Only**

   Kaveri 2.0 does not allow the independent registration of car parking spaces, requiring them to be bundled with the sale of the main property. This limitation creates legal and transactional challenges, especially in urban areas where parking spaces are frequently sold or leased separately. The absence of separate registration increases the risk of ownership disputes, complicates future transactions, and may lead to undervaluation of parking spaces as assets. To resolve these issues, Kaveri 2.0 should include a provision for the independent registration of car parking spaces, streamlining transactions and reducing legal complications.

9. **Inability to Register Terrace Area**

   Kaveri 2.0 does not allow for the independent registration of terrace areas, meaning these spaces must be bundled with the entire property. This limitation creates complications, especially in multi-unit or urban buildings where terrace spaces can be valuable, exclusive assets. Without separate registration, ownership disputes can arise, and future transactions or leases of the terrace space become difficult. The inability to register terrace areas independently reduces property owners' flexibility and may lead to missed opportunities to sell or lease these spaces. Kaveri 2.0 should enable the independent registration of terrace areas for better clarity and transaction ease.

10. **Adjustment of Stamp Duty on Mulageni and Muli Transfers to Prevent Double Taxation.**

    In coastal Karnataka, Mulageni and Muli rights involve a tenant (Mulagenidar) holding perpetual leasehold rights (Mulageni) while the landowner retains nominal ownership (Muli). Currently, full stamp duty is charged on both Mulageni and Muli transfers, resulting in double taxation. This is unfair, as possession is already transferred with the Mulageni rights. Legal precedents and Section 4 of the Karnataka Stamp Act support adjusting stamp duty between Mulageni and Muli transfers. Adjusting stamp duty would prevent double taxation and ensure fairness while allowing the state to collect appropriate revenue.

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**11. Inefficiencies in Kaveri 2.0 for Multi-Khata, Multi-Party Deeds**

Kaveri 2.0 faces inefficiencies when processing multi-party deeds involving multiple khatas and RTCs, especially in agricultural properties. The system requires repetitive data entry for each RTC, even when the same parties are involved across multiple records. This redundancy increases processing time and the risk of errors, leading to inaccuracies and potential legal disputes. Additionally, the software lacks automated population of party details, causing inefficiencies and delays in the registration process. To address these challenges, Kaveri 2.0 should implement automated data population across multiple RTCs, improving efficiency and accuracy in property transactions

**12. Lack of Grievance Redressal Mechanism and Failure to Review**

Kaveri 2.0 faces challenges due to the absence of a grievance redressal mechanism and failure to hold review meetings with stakeholders. Without a formal process for reporting issues, user trust in the system erodes. Many department officers display a dismissive attitude towards concerns, worsening frustration. Additionally, the lack of regular feedback meetings with stakeholders prevents necessary improvements. Addressing these issues by implementing a grievance redressal mechanism and organizing review meetings will improve user experience, restore trust in the system, and allow for timely resolutions, enhancing Kaveri 2.0's operational effectiveness

We humbly request your esteemed office to address these critical concerns to improve the overall property registration system. Streamlining the Kaveri 2.0 platform, implementing stakeholder-friendly measures, and addressing policy concerns will not only restore trust in the system but also facilitate seamless property transactions and governance in Karnataka.

We remain at your service to provide any further clarifications or assistance to ensure the successful implementation of these recommendations.

Kind Regards

**Vinod A.R. Pinto**


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# New Members

We are delighted to welcome new members into the CREDAI Mangalore fraternity—visionaries who bring with them fresh perspectives, valuable experience, and a shared commitment to shaping the future of our city's built environment.

**Mr. Anand G. Pai – Bharath Builders**: CREDAI Mangalore is proud to welcome Mr. Anand G. Pai, representing Bharath Builders, into our association. A respected name in the local real estate space, Bharath Builders has been known for its consistent focus on quality construction and client satisfaction. Mr. Anand G. Pai was warmly welcomed into the CREDAI family with a token of respect by Mr. Vinod Pinto, President, Mr. Guru M. Rao, Secretary, and Mr. Prashanth Sanil, Vice President marking the beginning of what promises to be a meaningful association. We look forward to his active participation and valuable contributions in the times ahead.

**Mr. B. Sathish Kumar & Mr. Madhukar – Four Walls Builders:** Joining the CREDAI Mangalore fold with great enthusiasm are Mr. B. Sathish Kumar and Mr. Madhukar from Four Walls Builders, a firm known for its innovative approach to urban housing and commitment to excellence. The duo was formally welcomed into the association by Mr. Vinod Pinto, President, Mr. Guru M. Rao, Secretary and Mr. Prashanth Sanil, Vice President, who presented them with a token of respect as a gesture of fellowship. Their addition strengthens our collective and reflects our ever-growing network of professionals working towards elevating industry standards.

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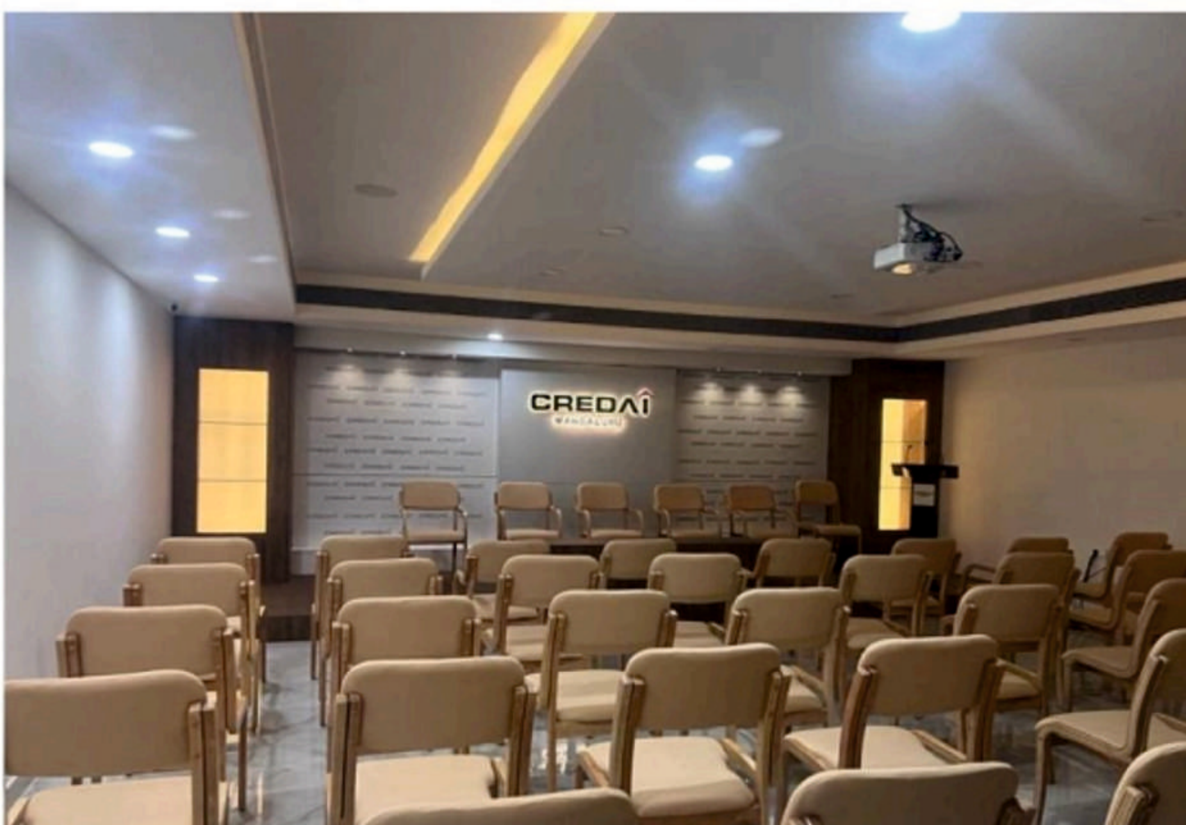
# CONFERENCE AND BOARD ROOM


## AVAILABLE FOR MEETINGS

**AT CONVENIENT SLOTS AND COST**

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