



# CREDAI<sup>↑</sup>

E-NEWSLETTER

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**May 2023**



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# PRESIDENT'S MESSAGE

## Dear Members,

It gives me great pleasure to share with you some important updates and some accomplishments of our association.

I would like to highlight the significant decision made by the Reserve Bank of India (RBI) in April & June to maintain the repo rate. By doing so, the RBI has provided stability and support for sustained economic growth. We have been pursuing with the Central Bank for lowering the Repo rate as the long-term inflation has been controlled.

CREDAI has been diligently pursuing developer related GST issues. We are advocating a simplified and streamlined GST process, reducing complexities and enhanced efficiency in operations we have submitted to Hon. Finance Minister. CREDAI asks have been consistent when it comes to:

- 1) Exemption of rehabilitated homes in redevelopment projects from GST,
- 2) Option of choice between Composite and Assessment scheme &
- 3) Lower rate of construction materials

CWW & CYW held their Women and Youth Leadership Summit in May where Smt. Smritiji Irani graced the occasion. I wish them the very best for achieving their milestones.

In the upcoming months, we have two important events that I am particularly excited about:

1) The Finance Conclave to be held in August - which will be an exceptional platform to discuss vital financial aspects of the real estate industry, where an invitation has been extended to the Hon. Finance Minister.

2) The 21st NATCON to be held in October, set to take place in the picturesque location of Sharm El Sheikh, Egypt. NATCON offers us enlightening sessions, stimulating discussions, valuable networking opportunities and extraordinary experiences.

CREDAI Skill Development Initiative for construction workers has successfully enrolled more than 21,000 workers into its initiative. This accomplishment has had a significant positive impact on the lives of the workers and quality plus efficiency of our projects. I applaud this initiative and wish us all the very best to achieve greater numbers in these noble initiatives.

I extend my sincere gratitude to you all my dear CREDAI members for your unwavering support and commitment. Together, we have accomplished remarkable milestones and overcome challenges, contributing to the strengthening of our Real Estate industry. Let us continue to work hand in hand, propelling CREDAI and our industry to greater heights while upholding the values and principles that define us.

**Boman R. Irani**

President



# GOVERNMENT REPRESENTATIONS & MEETINGS

S.no	Ministry	Subject	Minutes of Meeting
1	Shri Hardeep Singh Puri Hon'ble Minister for Housing and Urban Affairs & Petroleum and Natural Gas Ministry of Housing and Urban Affairs	Representation on Consultative process on Agreement for Sale (Model Contract)	CREDAI congratulates the Ministry of Housing & Urban Affairs for the significant reform brought about by RERA, which has facilitated organized real estate development and sustained sectoral growth. The built-in flexibility of RERA authorities across states has enabled them to address local requirements, housing demand, and homebuyer issues effectively. CREDAI appreciates the Supreme Court's directive on the model contract for Sale (AFS) as it safeguards consumer interests. Through its Consumer Grievance Redressal Forum and Code of Conduct, CREDAI strives to address consumer grievances. The organization has also submitted its inputs to the Amicus Curiae appointed by the Supreme Court through its Haryana & Maharashtra federations. CREDAI is eager to participate in the consultative process on the 'Agreement for Sale' undertaken by the Ministry of Housing & Urban Affairs.)
2	Ms. V. Rama Mathew Member (GST, Legal, CX & ST) Central Board of Indirect Taxes & Customs, Ministry of Finance	Seeking clarification to Circular relating to GST on plot sale	<ol style="list-style-type: none"> <li>1. The introduction of RERA and GST in the real estate sector has brought significant changes and transparency.</li> <li>2. Plotting projects in tier 2/3/4 cities have emerged under the purview of RERA, leading to their increased launch.</li> <li>3. There has been a lack of clarity regarding the applicability of GST on the sale of plots during the development stage.</li> <li>4. The Central Board of Indirect Taxes and Customs (CBIC) issued a circular clarifying that the sale of developed land does not attract GST.</li> <li>5. However, the circular does not provide absolute clarity on whether plots sold during the development stage are subject to GST.</li> <li>6. Recent rulings, such as the one in the case of Rabia Khanum, have concluded that GST is not payable on the sale of plots during the development stage.</li> <li>7. Divergent opinions and doubts still persist among Departmental authorities regarding the applicability of GST on plot sales during development.</li> <li>8. The law explicitly includes "sale of land" in the list of exempted transactions in Schedule III of the GST Act.</li> <li>9. It is suggested that the circular be amended or clarified to explicitly state that all transactions involving the sale of land, whether before, during, or after development, are exempt from GST.</li> <li>10. Services provided for land development, such as levelling and drainage lines, are subject to GST at the applicable rate.</li> </ol>



S.no	Ministry	Subject	Minutes of Meeting
3	Smt. Nirmala Sitharaman Hon'ble Finance Minister	Representations on GST related issues	<ol style="list-style-type: none"> <li>1. No GST to be charged on flats given free of costs to existing occupants/members/tenants/ slum dwellers etc in a redevelopment scheme. The cost of Rehab is already subsumed in the sales value of the flats being sold in the open market by the Developer on which GST is already being charged. Charging construction of Rehab and sale as two separate output services is creating Double Taxation of the same transaction.</li> <li>2. One Time Project wise option to be provided to the Developer to choose a particular scheme of GST for the project (Both residential &amp; Commercial Real Estate Project) i.e. 1%/5% Composite scheme without ITC or 12%/8% (after land abatement) with ITC as per regular assessment scheme. Both schemes are revenue neutral from the perspective of GST collections.</li> <li>3. Affordable Housing to be defined as "House below 60 sq.mtrs in metros and 90 sq.mtrs in Non Metros" by doing away with 45 lacs Value threshold. Affordability is a relative concept and in metro cities, in most cases even the cost of construction of an affordable house is more than Rs 45 Lacs.</li> </ol> <p>We would like to take up these issues to its logical conclusion to bring about a positive change in the Real Estate Industry. Towards that end we would be willing to dialogue with relevant committees/sub committees/GST officials, to share our viewpoint/concerns with them to try and figure out a sustainable solution for the same.</p>





# MEETINGS



4th meeting of Central Advisory Council constituted under the chairmanship of Sh. Hardeep Puri, Hon'ble Minister for Housing and Urban Affairs & Petroleum and Natural Gas regarding provision of the Real Estate (Regulation and Development) Act, 2016 (RERA) held on 9th May. Following CREDAI delegation attended the meeting:

Sh. Manoj Gaur, Chairman  
Sh. Boman R. Irani, President  
Sh. Hari Krishna Bhanusree, COO

Meeting held on 22 May 2023 with Smt. Nirmala Sitharaman, Hon'ble Finance Minister, Government of India in Mumbai to discuss and bring to her notice various GST related issues and clarifications required to boost the Real Estate Industry. Following CREDAI delegation attended the meeting:

Sh. Boman R. Irani, President  
Sh. Sunny Bijlani, Jt Secretary, CREDAI-MCHI  
Sh. Rushi Mehta, Jt Secretary, CREDAI-MCHI



Third meeting under the chairmanship of Sh. Amitabh Kant to discuss issues & possible solutions for legacy stalled projects held on 29 May 2023.

Sh. Getamber Anand, Past President  
Sh. Manoj Gaur, Chairman  
Sh. Hari Krishna Bhanusree, COO





# CREDAI COMMITTEE MEETINGS

The following committee meetings were held in May 2023

## Committee Meetings

- 1 CWW Zone Coordinators Meeting
- 2 CYW Committee Meeting
- 3 CWW Committee Meeting
- 4 CREDAI Vice Presidents Meeting
- 5 CWW Zone Coordinators Meeting
- 6 CREDAI Skill Development Committee Meeting
- 7 CYW-CWW Core Meeting
- 8 New Initiatives Committee Meeting
- 9 Event and Sponsorship Committee meeting
- 10 CYW Zonal Coordinators & Secretaries meeting
- 11 National Office Bearer Meeting
- 12 MSME Committee Meeting
- 13 CREDAI-IGBC Green Crusader initiative meeting



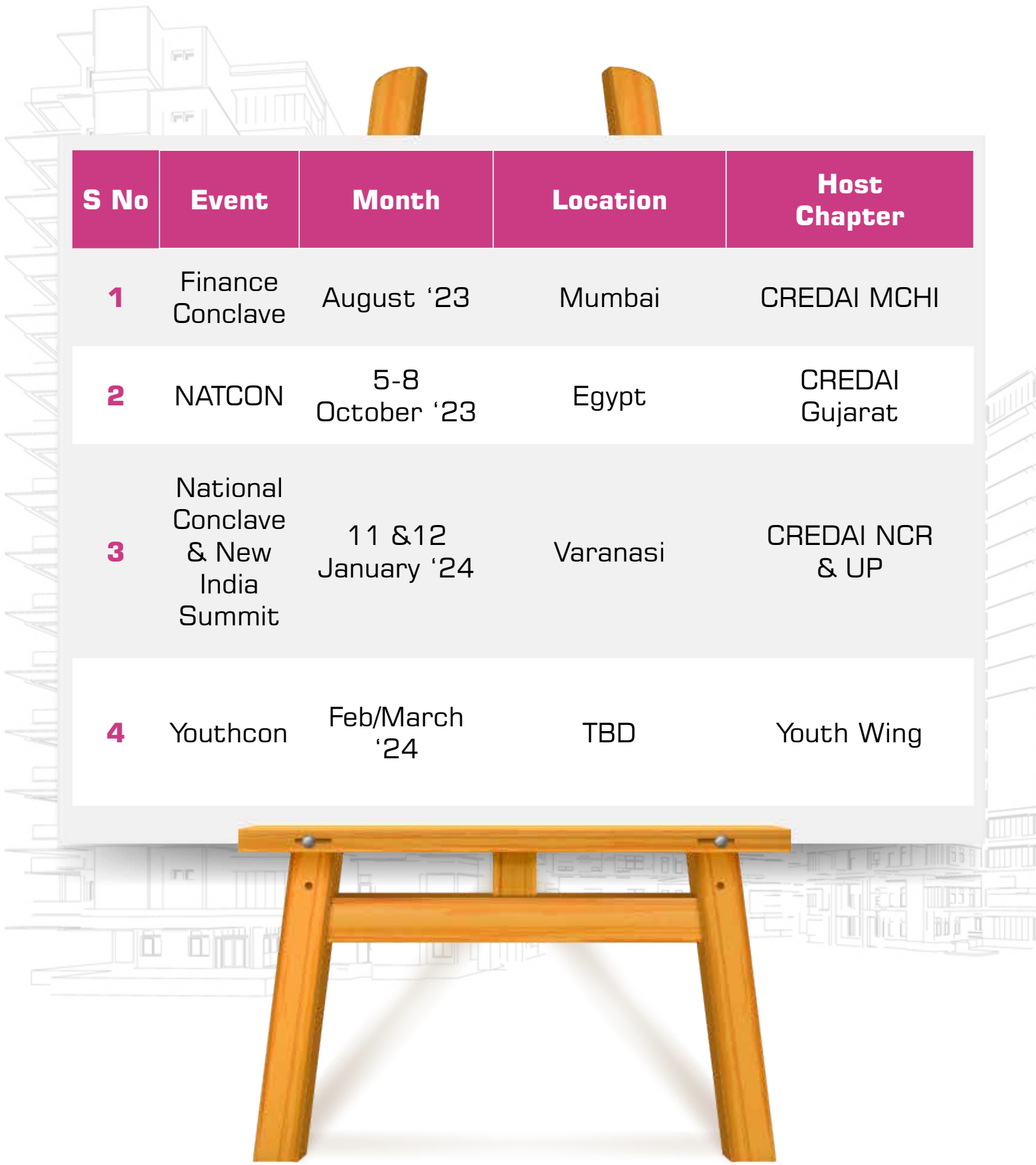
# WOMEN AND YOUTH LEADERSHIP SUMMIT



On May 15th, the announcement of the new teams for CREDAI's Women's Wing and Youth Wing took place during the CREDAI Women and Youth Leadership Summit held in New Delhi. The event was graced by the esteemed presence of Smt. Smriti Irani, the Hon'ble Minister for Women & Child Development and Minority Affairs. The occasion witnessed the enthusiastic participation of over 200 members across India, including CREDAI Office Bearers.



# UPCOMING EVENTS



S No	Event	Month	Location	Host Chapter
1	Finance Conclave	August '23	Mumbai	CREDAI MCHI
2	NATCON	5-8 October '23	Egypt	CREDAI Gujarat
3	National Conclave & New India Summit	11 & 12 January '24	Varanasi	CREDAI NCR & UP
4	Youthcon	Feb/March '24	TBD	Youth Wing



# SOCIAL MEDIA HIGHLIGHTS



Total No of Posts: 32

The Number of followers increased by 17, reaching a total of 21.6K.

The engagement rate experienced a rise, reaching 4.1%



Total No of Posts: 16

An impressive increase of 218 followers, resulting in a cumulative total of 4,341.

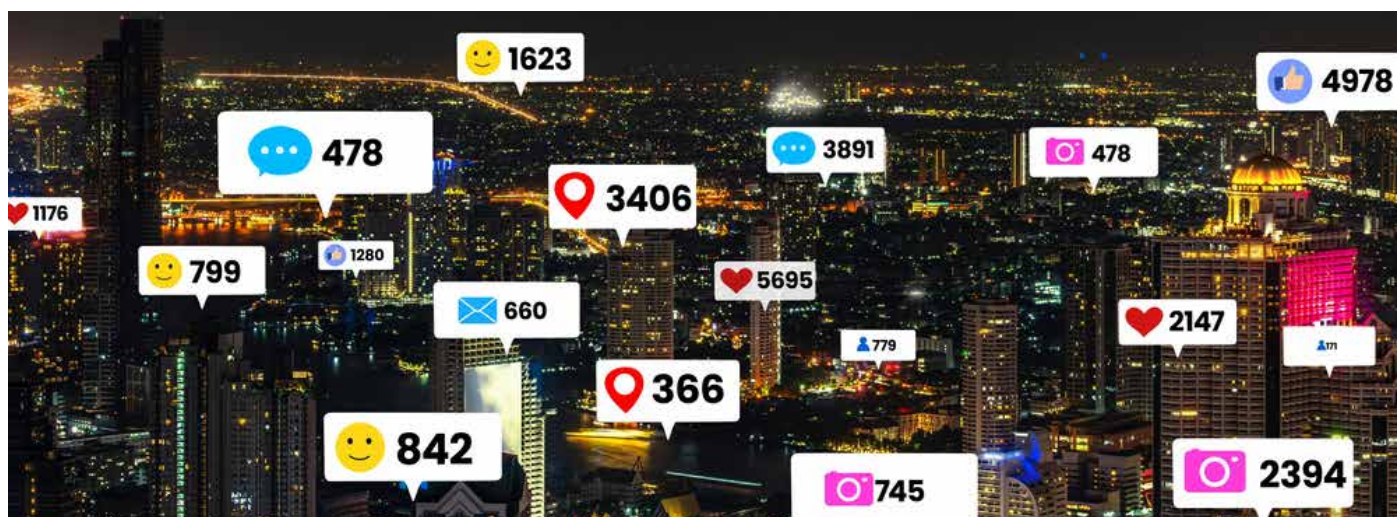
The engagement rate experienced a remarkable upturn, reaching an impressive 1.8K



Total No of Posts: 25

A noteworthy increase of 166 followers, bringing the total count to an impressive 7,951.

The engagement rate scored to a remarkable 14.8%





# CREDAI SKILL DEVELOPMENT HIGHLIGHTS



In May 2023, as part of the NIPUN initiative, the CREDAI successfully enrolled and provided training to a commendable number of 7077 construction workers. This month, the initiative extended its reach across 16 states and 39 districts throughout India. The training program encompassed various facets, including thorough assessments, interactive classroom sessions, and practical on-the-job training.

Recognizing the importance of safety in the construction sector, the NIPUN initiative placed a strong emphasis on safety training. Construction sites are prone to hazards, and ensuring worker safety is crucial. The training program included comprehensive modules on safety protocols, emergency procedures, proper use of personal protective equipment (PPE), and hazard identification and mitigation. By instilling a safety-first mindset, the initiative aimed to create a culture of safety among the workers, reducing accidents and promoting a healthier work environment.



# CREDAI IN NEWS

## CREDAI should eye promoting at least 100 first generation female real estate developers: Smriti Irani

Builders' body to support start-ups in construction and real estate space through a Rs 300-crore proptech fund

YANDANA KUMARI |



CREDAI should strive to promote first generation female real estate developers: Smriti Irani.

Minister for Women and Child Development and Minority Affairs, Smriti Irani, on May 15 said that the builders' body Confederation of Real Estate Developers' Association of India (CREDAI) should strive to promote first-generation female real estate developers.

## Realty: Your best bet

Investors have plenty of options in real estate with less risk and higher return on investment, suggest experts

ANIL KUMAR

Real estate is a great investment option for those who have a long-term vision and are willing to invest in a sector that has a high potential for growth. The real estate market is a vast and diverse one, offering a wide range of investment opportunities. From residential properties to commercial real estate, there are many options available to investors. The key is to choose the right property and the right time to invest. Real estate is a sector that has shown consistent growth over the years, making it a reliable investment option for those looking for long-term returns.



While there are many options available to investors, it is important to choose the right property and the right time to invest. Real estate is a sector that has shown consistent growth over the years, making it a reliable investment option for those looking for long-term returns.

## \$100 mn proptech incubation fund to go live by Oct-Nov: CREDAI president Irani

With new leadership comes a new set of goals, action plan and spiritedness. Last month Boman Irani, chairman and managing director of realty firm Rustonjee, took over the reins at the Confederation of Real Estate Developers' Association of India (CREDAI), the realty body with over 13,000 developers as members, as its president. Speaking to *DPI*'s Shashik Jain, he dwelled on the realty body's agenda under him this year, the special place nurturing of start-ups on the anvil and also had a word of advice for prospective property buyers. Edited excerpts.

### What's on CREDAI's agenda this year?

We have reactivated our IGBC (CII's Indian Green Building Council) tie up and made it stronger. I'm encouraging our members to at least build 4 lakh houses (green certified) by 2030. We continue to have our interactions with the government.

We're creating a communication channel where scores of developers in the country can read exactly what CREDAI is doing. Hopefully we'll be up with a Twitter and a LinkedIn handle which would be for CREDAI president, by the 15th of this month. If not, then at least by June, we should be there.

There is a lot of regulatory oversight in our business, which is great. But when a regulation comes into force, it comes into full force without a transition policy thought of. So we're going to work on a transitional policy for all new policies that come into play.

We also plan to work with the housing ministry and discuss points on RERA. It has been extremely effective and can be more so. RERA also has a lot of data sitting with it. So how does the community, the government, the financial institutions, the consumers—all benefit from this data?

### What about startups in the realty sector?

Real estate is one of those sectors that has still not been disrupted (by start-ups). We at CREDAI are working on incubating a fund for startups. We will have a full-time team evaluating proposals.

It is a 1

come, which are, hopefully disruptive in nature or for the betterment of real estate in the long run. We are putting together a fund which should be in excess of about \$100 million to start off with. And this fund should be announced hopefully by October-November this year. The vision is that we need to put a lot more into research, new tech and new areas of tech.

### What is your key advice to prospective property buyers?

My first advice to every buyer is—know what you want. Then go for value, not for price. Please do your due diligence—check the RERA registration, go through the terms mentioned therein. It is very important to go where infrastructure is going because infrastructure will lead to multiple growth of your property value. Buy as per your ability—don't get too conservative and at the same time, don't try to optimise too much. On an average, if you're a buyer and you're in your early 30s, you can buy on the basis of a forecast as to what your salary will be when you're 40, because that will give you a medium of the kind of value that you can buy.

Over and above everything else, one should also see the kind of reputation that the developer has and then accordingly invest your money. Location is very, very important.

### What are the challenges facing the developer fraternity in India?

One of the things that we've got to continue to work towards is streamlining the regulatory pathway.

In today's day and age, with the number of changes brought about in the regulatory framework of the financial institutions, access to funds has become a much more critical. Real estate is largely a money business, right? In India so far, we've been lucky that sales have always been ahead of the development being done, but those trends are also changing.

And finally, I think we need to improve our talent, at both—blue collar and white collar levels. We also have a huge dearth of blue collar labour, but at the same time, we need to improve our labour capabilities and strengths because finally, without people, no job gets done.

### Despite proper Acts in place, why aren't housing rentals being regulated in several cities, not to mention the bizarre conditions landlords are setting, especially for young renters?

I think it's common knowledge that supply and demand is a situation that kind of governs prices and no Act or rule can actually force the free market economy to work in any other way.

Quite honestly student accommodation is something that are working on with various state governments because that comes under state in terms of development control rules. We're also working towards creating working women's hostels.



Boman Irani

During the month of May, we garnered a total of 32 stories, comprising 7 print and 25 online publications. This notable accomplishment has contributed to an impressive PR value of ₹1.02Cr. Among these stories, 9 were CAT A, which represents 59% of our overall coverage.

Our association was prominently featured in prestigious publications such as The Economic Times, The Hindu, The Times of India, and Money control, among others. Additionally, we received favorable coverage in esteemed regional publications such as Samagya, PTI Bhasha, The Print Hindi, and Punjab Kesari, further enhancing our brand's positive narratives across diverse markets.

To provide you with an overview of the coverage in May, we have curated a collection of insightful articles:

- **The Hindu-** <http://cirrus.co.in/cirrus/ImageView.action?articleid=78080916&clientid=MSLCRE&mail=Y&type=M&loginreq=N>
- **Deccan Herald-** <http://cirrus.co.in/cirrus/ImageView.action?articleid=78022932&clientid=MSLCRE&mail=Y&type=M&loginreq=N>
- **The Times of India-** <http://cirrus.co.in/cirrus/ImageView.action?articleid=78094773&clientid=MSLCRE&mail=Y&type=M&loginreq=N>
- **Outlook-** <http://cirrus.co.in/cirrus/ImageView.action?articleid=78065450&clientid=MSLCRE&mail=Y&type=M&loginreq=N>



# INDUSTRY NEWS

- Gone are the days when real estate was solely a topic of interest for our parents and grandparents. Millennials have entered the scene and changed the ways of the real estate industry for good. Defined as people born between 1983 and 1996, millennials in India account for 34 percent (440 million) of the country's total population.

**To read more, pls click- <https://www.bizzbuzz.news/trendz/how-proptech-platforms-changing-the-way-millennials-buy-and-sell-real-estate-1222509>**

- Dwarka Expressway has emerged as one of the most sought-after property hubs in the National Capital Region (NCR). With the presence of leading real estate developers and prestigious names in Delhi NCR, this 27-kilometre-long, eight-lane expressway connects Dwarka in Delhi to NH-8 near Manesar in Haryana. The infrastructure project has significantly eased traffic congestion on existing routes. It has become a vital link between various important locations.

**To read more, pls click- <https://www.financialexpress.com/money/dwarka-expressway-a-rising-property-hub-with-promising-prospects/3108777/>**

- India's economy grew 6.1% in the January-March quarter, accelerating from revised 4.5% in the previous quarter and 4.1% in Q4FY22 helped by a pickup in manufacturing activity, showed government data on Wednesday. For the 2022/23 fiscal year, economic growth was revised upwards to 7.2% from an earlier estimate of 7%. After this, the Indian economy is now \$3.3 trillion in size.

**To read more, pls click- <https://www.businesstoday.in/latest/economy/story/indias-gdp-grows-61-in-q4fy23-govt-data-383666-2023-05-31>**

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