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Real Estate Tokenization - Way Forward for India

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The Real Estate sector contributes to the nation's economic growth and individuals consider investing in real estate as this is safest investment. The government is taking a lot of measures in the real estate sector for developmental activities. Illiquidity, affordability, problems with accessibility, and difficulties with transparency are considered to be the challenges for the Real Estate sector. The tokenization process is well known for its security, transparency, and tamper-proof nature. Real Estate one of the significant sectors for the nation when embraces disruptive technology, will reach great heights and can mitigate the flaws in the outdated system and this is pertinent for the sector's growth in the economy. The first half of the article covers the importance of the real estate industry for the nation's economy, the challenges in the real estate sector, the real estate tokenization process, and, the benefits and drawbacks of the same. The next half of the article examines India's position towards real estate tokenization.

Keywords: *real estate, assets, token.*

INTRODUCTION

The real estate market in India is one of the most active and rapidly expanding sectors. While we know agriculture is the backbone of our nation, real estate is the second largest employer in India.¹ According to Niti Aayog, real estate is anticipated to contribute USD 1 trillion in market

¹ Mordor Intelligence, *REAL ESTATE MARKET IN INDIA SIZE & SHARE ANALYSIS - GROWTH TRENDS & FORECASTS 2023 – 2028* (2013)

value by 2030 and 18–20% of India's GDP, focusing on 100 smart city projects.² In an attempt to make the nation a developed Country, the Government is actively involved in making real estate standardized, accessible, and feasible for all its citizens, which is evident from the Government's initiatives in the last decade. Pradhan Matri Awaas Yojana³ in 2015 aiming to achieve the mission of housing for all citizens, Real Estate Regulatory Authority (RERA) was introduced in 2016 to regulate the Real Estate industry. FDI Rules were relaxed in 2017 to facilitate foreign investment⁴ and the first Real Estate Investment Trust was formed in 2019.⁵

Real Estate is regarded as the safest form of investment and Indians historically considered acquiring real estate as a milestone. Also, real estate is regarded as the oldest and most practical asset class when it comes to investments since it has been used to construct houses and shelters since the dawn of civilization. While the significance of real estate is most relevant from the standpoints of both the government and individuals, it is unfortunate that such an industry with great importance has not embraced technology. There are trust and transparency issues and the real estate sector lacks digital infrastructure and is trapped in the pen and paper era. The finance and education sector in the country has imbibed technology and emerged as fin-tech and edu-tech firms. And e-commerce has reached new heights due to the digital revolution and, changed the perspective of businesses. While many other industries have embraced digitization and rapidly established digital ecosystems, real estate has failed to do so, and, regrettably, there is no comfort for the largest transaction in people's lives.

² 'Real Estate Sector To Touch \$1 Trillion By 2030: Niti Aayog CEO Kant' (*Business World*, 23 October 2021) <<https://www.businessworld.in/article/Real-Estate-Sector-To-Touch-1-Trillion-By-2030-Niti-Aayog-CEO-Kant/23-10-2021-409646/>> accessed 23 August 2023

³ 'Pradhan Matri Awaas Yojana (PMAY Urban & Rural)' (*India brand Equity Foundation*) <<https://www.ibef.org/government-schemes/pradhan-mantri-awaas-yojana>> accessed 22 August 2023

⁴ Rishabh Shroff, 'India announces new Foreign Direct Investment Policy ,2017-2018' (*Cyril Amarchand Mangaldas*, 06 September 2017) <<https://corporate.cyrilamarchandblogs.com/2017/09/india-announces-new-foreign-direct-investment-policy-2017-2018/>> accessed 22 August 2023

⁵ Ashwini Kumar Sharma, 'India's first REIT is here. Should you invest?' (*Live Mint*, 18 March 2019) <<https://www.livemint.com/money/personal-finance/india-s-first-reit-is-finally-here-should-you-invest-1552826505402.html>> accessed 22 August 2023

CHALLENGES IN THE REAL ESTATE INDUSTRY

The real estate sector is considered to have a lumpy and illiquid quality by its very nature. Affordability and liquidity are important industry difficulties because while sellers find it difficult to sell the asset, purchasers have a hard time saving enough money to acquire the property. Additionally, accessibility, trust, and transparency are other issues for the investors. It is a tiresome procedure for an investor to deal with several stakeholders and check numerous papers from the beginning of the property search till the end of the registration process.

In a digital age, it is of utmost importance for the real estate industry to be receptive to technology to eliminate the flaws in it. It is simply not sufficient for the business to be digitalized on a single platform, since this would just perpetuate the existing problems that the real estate sector faces. Beyond digitization, the real estate industry should adopt a disruptive technology that revamps the way the real estate sector operates. Decentralized Blockchain technology is a system that emphasizes transparency, immutability and a tamper-proof system for documenting transactions, which has the potential to change the way the industry operates, by overcoming the sectors' challenges.

BLOCKCHAIN

Blockchain can be defined as a distributed ledger with growing lists of records (blocks) that are securely linked together via cryptographic hashes. Each block contains a cryptographic hash of the previous block, a timestamp, and transaction data. Since each block contains information about the previous block, they effectively form a chain with each additional block linking to the ones before it. Consequently, blockchain transactions are irreversible in that, once they are recorded; the data in any given block cannot be altered retroactively without altering all subsequent blocks.

In simple terms, blockchain is an electronic record used to record transactions between transacting parties, and the reason this technology stands unique from other technology is because of its built features like immutability and the aspect of transparency, which gains a lot of trust from its users. The way this technology is designed makes it tamper-proof in nature and,

if any particular record is attempted to be tampered with, it becomes easy to trace it. Blockchain is a decentralized technology and by this nature, it eliminates the challenges that any centralized system would face, such as single point of failure, lack of transparency, Vulnerability to attack, Limited Scalability, and lack of user control. On the other hand, Blockchain networks are open, allowing anyone across the globe to access them with minimal infrastructure, providing fast, secure, and accessible financial services. They are best known for their transparency and anonymity. Applications can access ledger and smart contract services through blockchain networks, a technical infrastructure that enables the manufacturing, and tracking of orders payments and accounts. They are distinguished by their speed, consistency, affordability, security and tamper-proof nature. Any tampering with earlier transactions will have an impact on the entire ledger.

REAL ESTATE TOKENIZATION

Real estate is a physical asset that cannot be divided due to its conventional nature. Thus, it is critical to first digitalize the asset, and after the asset has been digitally identified, it may be distributed to any number of holders in the form of tokens. Each token holder receives a membership stake in the assets earnings, proportionate to their investment. Sensitive data can conceal the actual information by using a token, in which a value is assigned to the data and the token holders are entitled to the rights in the asset. It can be the right to receive rent, the right to receive an interest, right to share the profits in the property. Token holders are entitled to distributions from the particular asset that they have invested. Tokenization makes real estate investing more accessible to a broader variety of investors by dividing properties into smaller, pieces.⁶

⁶ 'What is Tokenized Real Estate? A Beginner's Guide To Digital Real Estate Ownership' (*Coin telegraph*) <<https://cointelegraph.com/learn/what-is-tokenized-real-estate>> accessed 24 August 2023

WORKING MODEL & THE STAGE-WISE PROCESS IN REAL ESTATE TOKENIZATION

The Real Estate Tokenization process is not been regulated in India. However, the phases of the tokenization process have been outlined per current industry norms. Understanding the process of real estate tokenization allows us to comprehend its benefits.

The stakeholders involved in the process are:

- A builder or the owner of the real estate.
- Real Estate Tokenization Company -The Company facilitates the entire process of tokenization of the property.
- Special Purpose Vehicle (SPV)-This is the legal entity, established by the tokenization platform, in which funds are raised to purchase, own, and manage the property.
- Token holders-Token holders are the fractional owners who hold a membership interest in the property.

Working model:

- The property owner approaches the Tokenization Company, for tokenizing the property.
- The company, which is into real estate tokenization verifies the details and forms a special purpose vehicle (SPV).
- The SPV holds the property and issues tokens to its investors. Here SPV is a separate legal entity and the tokenization company manages the SPV.
- Token holders purchase the tokens and they are the fractional owners of the property.
- Token holders also have an option to trade the tokens in the secondary market.

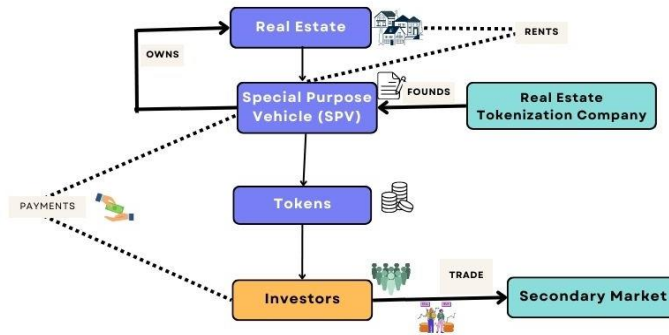


Fig-1: Working Model of Real Estate Tokenization

Stages in the Real Estate Tokenization process:

Property Selection and Valuation for Tokenizing Real Estate: First and foremost, the property to be tokenized must be identified. The property might be a business or residential asset, as well as a completed or unfinished construction. This is the first stage, in which the builder or owner decides to tokenize their asset and approaches a business that specializes in Real Estate Tokenization. It is critical to estimate the market value of the property at this early stage. The value of the digital tokens would be determined based on the valuation of the stated property.

STAGES IN REAL ESTATE TOKENIZATION

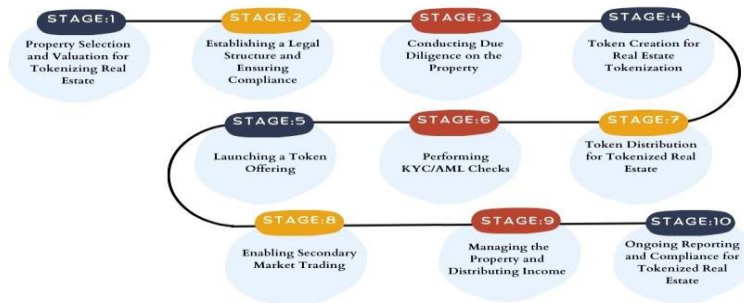


Fig-2: Process Flow⁷

Establishing a Legal Structure and Ensuring Compliance: It is important to select the right legal entity for real estate tokenization. The governance structure, liability protection, and tax ramifications for the venture depend on the legal company for the asset tokenization project.⁸The legal Entities to be considered to form the Special Purpose Vehicles (SPV) are 1) Sole Proprietorship, ii) Partnership firms, iii)Private Limited Companies, and iv)Limited Liability Partnerships. Mostly, Private Limited Companies and LLPs are considered for Special Purpose Vehicles (SPV). For each property, there should be a Special Purpose Vehicle (SPV) formed, which is the legal entity established by the tokenization company, in which funds are raised to purchase, own, and manage the property. An SPV is a separate legal entity created to isolate the tokenized asset from the parent company, shielding it from potential liabilities and risks.⁹

Conducting Due Diligence on the Property: The real estate tokenization conducts appropriate verifications on the property documents submitted by the builder/owner of the property. Upon successful verification, appropriate contracts are executed between the property owner and the Tokenization Company, and custody of property documents is taken by the Tokenization Company.

Token Creation for Real Estate Tokenization: Technically, ‘token’ is just another word for ‘cryptocurrency’ or ‘crypto-asset’ to describe certain digital assets that run on top of other cryptocurrencies’ tokens have a huge range of potential functions, from helping make decentralized exchanges possible to selling rare items in video games and they can be traded.¹⁰ Thus, in simple terms, tokens are digital representations of the asset that it is representing.

⁷ Dimitri Ross, ‘How to Tokenize Real Estate; A comprehensive Guide’ (*LinkedIn*, 20 April 2023) <<https://www.linkedin.com/pulse/navigating-legal-entities-spvs-asset-tokenization-dimitri-ross>> accessed 24 August 2023

⁸ *Ibid*

⁹ *Ibid*

¹⁰ ‘What is a token?’ (*Coinbase*) <<https://www.coinbase.com/learn/crypto-basics/what-is-a-token>> accessed 27 August 2023

This is the stage in which tokens are created, keeping multiple factors in mind. For example, if the value of the real estate is ten crores and if the seller wants to issue only ten tokens, then mostly only large investors can invest, on the other hand, if the seller has decided to issue a hundred tokens, small investors may also participate. Understanding the nature of rights to be given to the token holders and if any obligations to be framed to such a right is important, as smart contracts are created at this stage to assign the terms of ownership, transfer rights, and management rights if any to be mentioned, as these smart contract would represent the same in the tokens.

Concept of Smart Contracts: Smart contracts can benefit blockchain token holders. They are used to automate the execution of an agreement so that all participants can be immediately certain of the outcome, without any intermediary's involvement or time loss¹¹ as how the conventional contract is enforceable by law similarly the smart contracts are bound by their programming codes, they are set of codes designed for a specific purpose aims to accomplish the assigned task, with the intention why it has been designed. Smart contracts operate on a blockchain by typing sentences into code and placing them on a network of computers. When the transaction is finished, the blockchain is then updated. As a result, the transaction cannot be modified, and only parties to whom permission has been granted may view the outcome. There might be as many conditions as are required in a smart contract to reassure the parties that the work will be finished successfully. The blockchain updates the transaction, ensuring only authorized parties can view it. In this way, it enables secure, efficient and transparent transactions

Launching Token offer: Launching a Token offer means to invite the investors to invest in such a token offer. Generally, these tokens are offered in the security token offer (STO)

Performing KYC/AML Checks: As a part of regulatory requirements, Know Your Customer (KYC) and Anti-Money Laundering (AML) checks are to be performed. The Government of India has the Virtual Digital Assets (VDA) in the Prevention of Money Laundering Act (PMLA)

¹¹ 'What are smart contracts on blockchain?' (IBM) <<https://www.ibm.com/topics/smart-contracts>> accessed 21 August 2023

to protect the interest of the investors. It is significant to conduct Regulatory checks before allowing the investors to participate in the token process.

Token Distribution for Tokenized Real Estate: This is the last step in the tokenization process. After the completion of the regulatory checks, tokens will be issued to the investors and these are the digital representation of the proportionate membership interest in the property and an investor can purchase any number of tokens. The transactions that are done here are immutable; which means the transactions cannot be changed.

Enabling Secondary Market Trading: Liquidity which is the inherent challenge in real estate can be eliminated by enabling real estate tokens in the secondary market. Token holders who have invested in the real estate tokens can trade their tokens in the secondary market.

Managing the Property and Distributing Income: Managing the property and distribution of income from the tokenized property to the token holders is very important and it has to be performed continuously.

Ongoing Reporting and Compliance for Tokenized Real Estate: From the view of the property management, the required compliance including tax and other fee payments to be performed properly. The Tokenization Company has to manage and perform the required tasks regarding Compliance.

ADVANTAGES OF REAL ESTATE TOKENIZATION

Accessibility: Through the tokenization process, real estate across the world can be tokenized and this gives accessibility for an investor to invest across the globe. This invites foreign investment in India.

Liquidity: While liquidity is considered an inherent challenge for the real estate industry, now with the tokenization process, finding buyers and sellers becomes easy, especially with the real estate tokens being traded in the secondary market.

Affordability: Fractional ownership eliminates the challenge of affordability, as tokens are offered at very affordable rates. Though fractional ownership is not a new concept and this feature is offered by Real Estate Investment Trusts (REITs), the trust factor that tokenization brings in it marks its uniqueness.

Transparency and Trust: All transactions are subject to both buyer and seller's approval and are automatically updated in real-time in both of their ledgers¹². Any tampering with earlier transactions will have an impact on the entire ledger.

Simplified Process: Traditionally the real estate transaction is time-consuming and considered a long taxing process with loads of paperwork verifications and approaching brokers and different buyers/sellers. Tokenization has simplified the overall end-to-end experience in real estate.

CHALLENGES FOR REAL ESTATE TOKENIZATION

Security Law: Tokenization of real estate would be considered secure in general, but each token should be investigated from the outset. If the token is classified as a security, it must be accompanied by a prospectus. If it is not a security, it must be offered with a special exemption.

Lack of Regulation: There is currently no regulation for cryptocurrency and tokens. Most countries would agree that tokens are nothing more than codes with no legal significance. As a result, users would be unable to legally link themselves to specific pieces of property. Real estate tokenization is still a relatively new concept, and many countries lack a legislative framework. This is a challenge for investors and issuers since they must find out how to comply with the regulatory environment.

Dispute Resolutions: Asset-based token negotiations, like any other financial contract between two or more parties, have the potential to result in a conflict. There are jurisdictional difficulties

¹² 'What Is Blockchain Technology?' (AWS) <<https://aws.amazon.com/what-is/blockchain/?aws-products-all.sort-by=item.additionalFields.productNameLowercase&aws-products-all.sort-order=asc>> accessed 23 August 2023

due to the growing worldwide nature of token creation, making it unclear which court has the authority to address these disputes.

Tax Implications: Tokenization strengthens global real estate markets by allowing for more global participation. However, cryptocurrency tax systems are not even specified in most of the nations. This generates an increased complexity since tax structures change among countries.

Understanding the concept: Real Estate tokenization is relatively a new concept and a real estate transaction doesn't stop with the buyer and the seller, multiple parties are involved at different levels like Promoters, Builders, Government officials, Auditors, Lawyers, it becomes a challenging task for all of them to adapt to the new technology and to be on the same wavelength.

Cyber Threat: When ownership is decided basis the tokens and the custody of tokens play a vital role and cyber threat for the token is a great challenge in tokenizing the asset.

AN ANALYSIS OF THE REAL ESTATE TOKENIZATION IN INDIA

Legality of Crypto assets in India: While we consider tokenizing the assets, it is pertinent to understand the nation's stand, in terms of Cryptocurrencies and blockchain technology. Atlantic Council has analyzed 45 countries regarding crypto assets adoption and reported under three different categories of Countries:

- Legal and regulated, (where all activities regarding crypto assets are permitted) in 20 Countries and including the USA, Australia, South Africa, Singapore, Japan, Germany.
- Partial Ban, (where one or more activity is not permitted) in 17 Countries and India falls under this list.
- General Ban, (where all activity is limited) in 8 Countries, and China and Pakistan are part of it.¹³

¹³ 'Global database of regulations' (Atlantic Council) <<https://www.atlanticcouncil.org/programs/geoeconomics-center/cryptoregulationtracker/>> accessed 22 August 2023

In March 2020, the Supreme Court of India in its 180-page judgment said that the ban proposed on the trading of virtual currencies was not proportionate¹⁴ and removed the ban on Cryptocurrency trade in India, which was imposed earlier in 2019 by RBI. Following this, the 2022-2023 Union Budget, included cryptocurrencies in the 30% tax bracket, and in 2023 the Finance Ministry included cryptocurrencies, in the Prevention of Anti-Money Laundering Act (PMLA)¹⁵, this means that, activities regarding cryptocurrencies will be in the surveillance to prevent money laundering and other financial crimes. The above information helps us interpret that while India has not deemed cryptocurrency trading legal; it has also not been deemed illegal. This gives access to explore the tokenization of assets.

Blockchain Technology in the Indian States: Indian States are open to implementing blockchain technology in their commercial and development endeavours.

- For the first time in India, 65000 caste Certificates were issued on blockchain technology (Polygon network) by the Maharashtra Government¹⁶ in Etapalli village, Gadchiroli district, of Maharashtra, these verified certificates are intended to prevent fraudulent actors from forging certificates to falsely claim government-provided benefits for the underprivileged.
- The Andhra Pradesh government to adopt blockchain technology to end land record tampering¹⁷ the land registry procedure can be made more transparent, and simple and access to information about the land title by using blockchain technology. The poor record maintenance system is one of the main reasons for the admittedly prevalent

¹⁴ Shruti Dhapola, 'Supreme Court removes ban on crypto currency trading in India: What happens next' (*Indian Express*, 4 March 2020) <<https://indianexpress.com/article/technology/tech-news-technology/supreme-court-strikes-down-ban-on-cryptocurrency-trading-in-india-6298798/>> accessed 22 August 2023

¹⁵ Pooja Yadav, 'Explained: Why Did The Indian Government Bring Crypto currency Under The PMLA Act' (*India Times*, 8 May 2023) <<https://www.indiatimes.com/explainers/news/explained-why-did-the-indian-government-bring-cryptocurrency-under-the-pmla-act-600098.html>> accessed 21 August 2023

¹⁶ Arjit Sarkar, 'Indian state gov't uses Polygon to issue verifiable caste certificates' (*Cointelegraph*, 29 March 2022) <<https://cointelegraph.com/news/indian-state-gov-t-uses-polygon-to-issue-verifiable-caste-certificates>> accessed 24 August 2023

¹⁷ 'Andhra government to adopt blockchain tech to end land record tampering' (*The New Indian Express*, 15 December 2019) <<https://www.newindianexpress.com/states/andhra-pradesh/2019/dec/15/andhra-government-to-adopt-blockchain-tech-to-end-land-record-tampering-2076359.html>> accessed 20 August 2023

corruption in the Land Registration sector. The disruptive technology of blockchain will put a stop to the falsification of land records, which would greatly reduce corruption.

- The government of Andhra Pradesh is building its new Capital City Amravati by venturing into blockchain technology.¹⁸ Blockchain technology is used to acquire land in the area and it is said that the Government is considering blockchain technology to eliminate the huge paper records and to have a corruption-free land record system.
- The Government of Telangana announces the launch of the Asset Tokenization standard framework. While other nations have already begun to create frameworks to aid in the expansion of the Web3 sector it is time for India to take the lead and create its framework to safeguard investors and enable the sector to expand and innovate.¹⁹
- The Indian Government's apex public policy think tank, NITI Aayog, has launched a blockchain module in partnership with crypto-focused 5ire and Network Capital, a mentorship and career exploration platform²⁰

Digital India: Digitalizing businesses is considered extremely significant, as digitalization lays a strong ground for the nation to stabilize and adapt the upcoming technologies like Artificial Intelligence, Machine Learning, and Blockchain, for the nation to compete in the global market, explore new markets, and create new business models. It is pertinent to note that a few of the crucial sectors are embracing digitalization.

- On the Ministry of Corporate Affairs website, now general public can now avail of the facility to view master details of any company/LLP registered with the Registrar of Companies.²¹ This facility enables anyone across the globe to view the performance of the

¹⁸ Ananya Bhattacharya, 'Blockchain is helping build Andhra Pradesh's new capital – but can it cut through the red tape?' (*Scroll*, 21 July 2018) <<https://scroll.in/article/887045/blockchain-is-helping-build-andhra-pradeshs-new-capital-but-can-it-cut-through-the-red-tape>> accessed 22 August 2023

¹⁹ 'Telangana announces launch of Asset Tokenization Standard Framework' (*Telangana Today*, 22 July 2023) <https://telanganatoday.com/telangana-announces-launch-of-asset-tokenization-standard-framework>. accessed 21 August 2023

²⁰ Amitoj Singh, 'Indian Government Launches Blockchain Initiative With 5ire, Network Capital' (*Coindesk*, 23 January 2023) <<https://www.coindesk.com/policy/2023/01/23/indian-government-launches-blockchain-initiative-with-5ire-network-capital/>> accessed 20 August 2023

²¹ 'Company Master Data & Index Of Charges' (*Ministry of Corporate Affairs*) <<https://www.mca.gov.in/MinistryV2/aboutmasterdata.html>> accessed 23 August 2023

company. Especially when the asset is tokenized, the accessibility of the company's performance enables the global investor to go ahead with investment in an Indian Company, the tokenization has the potential to attract foreign investments.

- In 2019, the Securities and Exchange Board of India (SEBI) mandated that trading shares in the stock market should only occur in an electronic format.²²
- As per the data shared by the Ministry, under the Digital India Land Records Modernization Program (DILRMP), over 94% of the land records are already digitized.²³

Digital applications may spread over most areas of the Indian economy. Core digital industries like IT and business process management will be fully digital by 2025. Newly digitizing sectors, including agriculture, education, energy, financial services, healthcare, logistics, and retail, as well as government services and labour markets, could each create \$10 billion to \$150 billion of incremental economic value in 2025 as digital applications in these sectors help raise output, save costs and time, reduce fraud, and improve the matching of demand and supply.²⁴

Other Factors: Other indicators indicate that India is on the right track in terms of embracing disruptive technologies.

- Increased number of crypto investors in India, with 89% of such investors falling in the age group of 18 to 35 age group.²⁵
- The average age in India is 28.2 years.

²² 'What Is The Procedure For Converting Physical Shares Into Demat?' (HDFC BANK) <<https://www.hdfcbank.com/personal/resources/learning-centre/invest/what-is-dematerialisation-of-shares#:~:text=Open%20a%20Demat%20Account%20with,certificates%20to%20the%20Depository%20Participant>> accessed 23 August 2023

²³ Pawni Mishra, 'Digitization Of Land Records: Meaning, Benefits & Challenges' (Magicbricks, 19 July 2023) <<https://www.magicbricks.com/blog/what-is-digitisation-of-land-records-and-its-challenges/118270.html>> accessed 21 August 2023

²⁴ McKinsey Global Institute, *Digital India: Technology to transform a connected nation* (2019)

²⁵ Sohini Mitter, '89% of India's crypto investors fall in 18-35 age group; Delhi tops in investments: Study' (Business Today, 12 January 2023) <<https://www.businesstoday.in/crypto/story/89-of-indias-crypto-investors-fall-in-18-35-age-group-delhi-tops-in-investments-study-359902-2023-01-12>> accessed 21 August 2023

- Unified Payments Interface (UPI) records 9 billion transactions worth 14 lakh crore in May 2023. The UPI accounted for 75% of retail digital transactions in the country during 2022-23 and is expected to record 1 billion transactions per day by 2026-27.²⁶
- The Ministry of Road Transport and Highways by constructing 13,394 km of highways in the fiscal year 2020-21 holds the world record for the fastest road construction.²⁷

INFERENCES FROM THE ANALYSIS

From the above factors, we can infer that the Indian States are receptive towards blockchain technology, and the center's efforts on digitalizing business across the sectors lay the groundwork for new technologies to spread its wings in India for the next decade. Also from the data about UPI usage, it can be inferred that individuals are becoming used to the digital economy and prefer a hassle-free way of transacting and are maximizing their UPI transactions, which is an important development. The fact that the young people of India are very much interested and oriented towards investing in cryptocurrencies is another encouraging factor for the nation's economy. A massive market for real estate is created by setting a world record for the quickest highway construction, which raises the possibility of tokenizing the real estate. Additionally taking into account the fact that 94% of land records in the country have already been converted to digital format and that few Indian states have included blockchain technology in their growth plans, overall, it looks like the stage is set to embrace the disruptive technology and real estate tokenization is a significant part in it.

CONCLUSION

The real estate sector, when viewed through the lenses of tokenization, looks perfect eliminating the sectors' great challenges and bringing in the great benefits of liquidity, accessibility, affordability, and importantly trust and transparency. At the same time, we cannot ignore the

²⁶Alka Jain, 'India's UPI hits 9 billion transactions worth ₹14 lakh cr: Report' (*Live Mint*, 2 June 2023) <<https://www.livemint.com/news/india/indias-upi-hits-9-billion-transactions-worth-rs-14-lakh-cr-report-11685672144563.html>> accessed 21 August 2023

²⁷'3 world records in a month': India now holds world record for fastest road construction, says Gadkari' (*Live Mint*, 2 April 2021) <<https://www.livemint.com/news/india/india-now-holds-world-record-for-fastest-road-construction-nitin-gadkari-11617355320236.html>> accessed 23 August 2023

fact about the current status of uncertainty in the legal framework. Currently, real estate is a state subject, and the advancement of the decentralized disruptive technology being centrally based, needs to be addressed. There would be a need for revamping the revenue and stamp law and importantly the legislative framework has to be designed in such a way that it addresses the legality of both real state and technology. This in turn requires the government representatives, stakeholders, lawyers, and other parties participating in the process to undergo a comprehensive awareness campaign and training. Though all this sounds like a gigantic task, the concept of tokenization of real estate gives a great chance to revamp the inherent challenges in this sector and it is worthwhile, to work on the required adjustments to integrate the disruptive technology.