



Tamil Nadu Real Estate Regulatory Authority (TNRERA)

Annual Report & Audit Report – 2018-2019

TAMILNADU REAL ESTATE REGULATORY AUTHORITY (TNRERA)

ANNUAL REPORT (2018-19)

1. Introduction

The Government of India have notified the Real Estate (Regulation & Development) Act, 2016 on 26.03.2016. This Act in its full form came into force with effect from 01-05-2017. The Government of Tamil Nadu vide G.O.Ms.No.112, H&UD Dept., dated 22.06.2017 has issued the Tamil Nadu Real Estate (Regulation & Development) Rules, 2017. In order to implement the Act, the Principal Secretary to Govt., Housing & Urban Development Department initially designated as an interim Authority has been replaced by full time Chairman and two Members since 11.02.2019. It has jurisdiction over the entire Tamil Nadu State.

Tamil Nadu Real Estate Appellate Tribunal (TNREAT) has been established on 22.12.2017 to hear the appeals from the decisions or orders of the Tamil Nadu Real Estate Regulatory Authority and the Adjudicating Officer appointed under the Real Estate (Regulation and Development) Act, 2016.

2. Objectives of the Act:

The purpose of the Act is to regulate and promote the real estate sector. The objectives of the Act are to

- (i) ensure sale of plots, apartments or buildings or sale of real estate projects, in an efficient and transparent manner
- (ii) protect the interest of consumers in the real estate sector
- (iii) establish an adjudicating mechanism for speedy dispute redressal
- (iv) establish the Appellate Tribunal to hear appeals from the decisions or orders of the Real Estate Regulatory Authority and the Adjudicating Officer.
- (v) make recommendations for the growth and promotion of a healthy, transparent, efficient and competitive Real Estate sector.
- (vi) recommend measures to encourage investment in the Real Estate sector including measures to increase the financial assistance to affordable housing segment.

3. Functions of Tamil Nadu Real Estate Regulatory Authority (TNRERA):

- 1. Registration of Real Estate Projects and Real Estate Agents
- 2. Adjudication of Complaints

4. Salient Features of the Act:

- No promoter shall advertise, market, book, sell or offer or offer for sale, or invite persons to purchase in any manner any plot, apartment or building, as the case may be, in any real estate project or part of it, in any planning area, without registering the real estate project with the Real Estate Regulatory Authority established under the Act.
- All Real Estate projects in the entire State of Tamil Nadu meant for sale where the area of the land proposed to be developed exceeds 500 square meters or number of apartments to be developed exceeds eight inclusive of all phases have to register with TNRERA.
- Advertisement or prospectus issued or published by the promoter shall mention prominently the website address of the Authority, wherein all details of the registered projects have to be entered including the registration number obtained from the Authority.
- Advertisement and Sale of property shall be on carpet area basis.
- For addition/revision/modification of plans, structural design and specifications of the plot, apartment or a building, the promoter has to get the consent of minimum two-third allottees (buyers).
- To prevent diversion of the amount collected from the allottees of one project to other projects, the Act mandates that 70% of the money collected from the allottees from a particular project to be kept in a separate Bank account (Schedule Bank) to meet the cost of that project. Amount can be withdrawn by the Promoter in proportion to the percentage of completion after it is certified by an Architect, an Engineer and a Chartered Accountant in practice.
- Both the promoter and buyer are liable to pay equal rate of interest in case of any default from either side.
- Allottee is responsible to make all the payment on time.
- Where the real estate project is to be developed in phases, every such phase shall be considered as a standalone real estate project, and the promoter/builder shall obtain registration under this Act for each phase separately.
- Builder has to provide five-year warranty for any structural defects in the building.
- Mandatory for developers to host all information on issues such as project plan, layout, government approvals, land title status, contractors to the project, and schedule for completion with the Real Estate Regulatory Authority (RERA) in the website.

5. Performance as of March 2019

Registration has been granted for 511 real estate projects. All 237 applications for Agents have also been registered. Final Orders were passed in 56 Complaints received before the Authority and 685 complaints are being heard. The Adjudicating Officer has passed Final Order in 161 Complaints seeking compensation and another 88 cases are in progress.

Number of Awareness Programmes have been conducted in various places within Tamil Nadu. District Collectors have been addressed to propagate awareness of the Act and its provisions. The advertisements being made by the Promoters of Real Estate Projects in various media are also monitored to insist the registration of the Projects under the provisions of RERA and to mention the same in their advertisements in all media.

As of March 2019, 788 notices were issued against promoters not registering their project and penalty was levied against 2 of them. For not mentioning TNRERA registration particulars in advertisement, 90 notices were also issued against the respective promoters.

Rule No.40 of the Tamil Nadu Real Estate (Regulation and Development) Rules, 2017 prescribes the format for preparation of the Annual Report of the Authority. Accordingly the Annual Report for the Year 2018-19 is annexed in Form 'P' of this report.

ABSTRACT

I – A RETURN ON REGISTRATION OF REAL ESTATE PROJECTS

No. of Projects Registered : 511
Fees Collected : Rs.6,94,11,675.81

I – B RETURN ON REGISTRATION OF REAL ESTATE AGENTS

No. of Agents Registered : 237
Fees Collected : Rs.1,88,30,000.00

II RETURN ON NUMBER OF CASES DISPOSED

A. No. of cases disposed by Authority : 56
B. No. of cases disposed by Adjudicating officer : 161

III. PERIODICAL SURVEY CONDUCTED TO MONITOR THE COMPLIANCE OF THE PROVISIONS OF THE ACT BY THE PROMOTERS, ALLOTTEES AND REAL ESTATE AGENTS

In order to monitor the compliance of the provisions of the Act by the Promoters, the Government vide G.O.(Ms.) No.166, Housing & Urban Development [UD4(3)] Department, dated 29.11.2018 have directed the Planning Authorities to incorporate the condition in their Approval that the project shall be registered with TNRERA wherever applicable and to verify the same while issuing Completion Certificate for the projects. TNRERA obtains the approval details periodically from the Planning Authorities in the State and issue Notices directing the Planning Permission Applicants to register their project with TNRERA. This mechanism covers all the developments approved by the Local Planning Authorities in Tamil Nadu.

IV. STATEMENT ON STEPS TAKEN TO MITIGATE ANY NON-COMPLIANCE OF THE PROVISIONS OF THE ACT AND THE RULES AND REGULATIONS MADE THEREUNDER BY THE PROMOTERS, ALLOTTEES AND REAL ESTATE AGENTS

- (i) The Inspector General (Registration) was addressed not to register any sale/lease deed in respect of the properties wherein it is declared by the Promoters that the Building/Plot are for personal use and not for sale/lease. Copies of this instruction was also marked to all the Deputy Inspector General's (Registration) in Tamil Nadu.
- (ii) If any advertisement for marketing of real estate project is done without mentioning the Registration Number with RERA or if found that the project is advertised without registration and violation to the Registration made, Show Cause Notices are issued for the cases identified by screening of the advertisement made in the Print Media;
- (iii) During the scrutiny of the application for registration, the Encumbrance Certificate for the period from the approval of Planning Permission/Building Permit of the development till the second week prior to filing the application, the transaction by way of sale or lease is examined. If any such transaction happened before prior registration, penalty is levied;

- (iv) The Promoters/Developers furnish Progress Report every quarter within 15 days from the end of each quarter and annual transactions of the exclusive account and Audited Annual Statement Certificate. For the projects registered, the compliance in this regard is verified in respect of all ongoing projects registered with TNRERA and any lapse observed in this regard is suitably fined;
- (v) The Authority issues certain directions and orders in the course of hearing of complaints. For non compliance of such orders and also for violation of the provisions of the Act, Rules and Regulations, penalty is levied;
- (vi) All the District Collectors have been addressed requesting them to sensitize the provisions of the Real Estate (Regulation and Development) Act, 2016, Tamil Nadu Real Estate (Regulation and Development) Rules, 2017 and Tamil Nadu Real Estate Regulatory Authority (General) Regulations, 2018. The Print Media have been addressed to insist RERA Registration Number while releasing advertisement for marketing the real estate projects;
- (vii) The following sensitized awareness programmes were organized during 2018-2019.

S.No.	Place	Month
1	Madurai	June 2018
2	Coimbatore	June 2018
3	Erode	July 2018
4	Krishnagiri	August 2018
5	Trichy	August 2018
6	Tirunelveli	September 2018
7	Southern India Regional Council of the Institute of Chartered Accountant of India	December 2018
8	Andaman and Nicobar islands	February 2019

V. PENALTY IMPOSED BY THE AUTHORITY FOR CONTRAVENTIONS OF THE ACT

No. of cases : 02
Penalty imposed : Rs.35,000.00

Separate Audit Report of the Comptroller & Auditor General of India on the Accounts of the Tamil Nadu Real Estate Regulatory Authority for the year ended 31 March 2019

Tamil Nadu Real Estate Regulatory Authority (TNRERA) constituted under the Real Estate (Regulation and Development) Act, 2016 was established on 22 June 2017. Tamil Nadu Real Estate Appellate Tribunal (TNREAT) was also established, as per the Act, to hear appeals from the decisions, directions or orders of TNRERA. The Tamil Nadu Government has framed the Tamil Nadu Real Estate (Regulations & Development) Rules, 2017 for carrying out the provisions of the Act. The financial statements of TNRERA include the accounts of TNREAT. Preparation of these financial statements is the responsibility of the Management of the Authority (TNRERA) and audit responsibility is to express opinion on these financial statements based on our audit.

We have audited the Annual Financial Statements viz, Receipts and Payments Account, Income and Expenditure Account for the year ended 31 March 2019 and Balance Sheet as on that date of TNRERA under Section 19(2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Services) Act, 1971 read with section 77 of Real Estate (Regulation and Development) Act, 2016.

We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

Based on our audit, we report that:

- (i)** We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii)** The Receipts and Payments Account, Income and Expenditure Account and Balance Sheet dealt with by this report have been drawn up in the formats laid down in the Tamil Nadu Real Estate (Regulation and Development) Rules, 2017
- (iii)** In our opinion, proper books of accounts and other relevant records have been maintained by the Authority, as required under Rule 39 of the Tamil Nadu Real Estate (Regulation and Development) Rules, 2017 in so far as it appears from the examination of such books.

(iv) We further report that, based on the Separate Audit Report, the Annual Financial Statements approved by the Authority on 06 January 2020 have been revised. Consequently, excess of income over expenditure for the year ended 31 March 2019 has been decreased by ₹40,38,720. The revised Annual Financial Statements have been approved by the Authority on 19 October 2020.

(v) Subject to our observations in the preceding paragraphs, we report that the Receipts and Payments Account and Income and Expenditure Account and Balance Sheet dealt with by this report are in agreement with the books of accounts.

(vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Notes forming part of the Balance Sheet and Income and Expenditure Account, Accounting Policies and subject to the significant matters stated above and other matters mentioned in Annexure -I to this Audit Report give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In so far as it relates to the Receipts and Payments Account and Income and Expenditure accounts for the year ended 31 March 2019, of the excess of income over expenditure; and
- b. In so far as it relates to the Balance Sheet, of the state of affairs of the Authority as on that date.

A review of accounts showing the summarized financial results of the Authority for the last two years is given in Annexure -II.

Place : Chennai
Date: 12.03.2021

For and on behalf of the C&AG of India
Sd/-xxxx
Accountant General

Annexure I to the Separate Audit Report

1. Adequacy of Internal Audit System:

The Regulatory Authority does not have any Internal Audit system in place.

2. Adequacy of Internal Control System:

The Internal Control system is adequate and commensurate with the size and nature of the Regulatory Authority.

3. System of Physical Verification of fixed assets:

Physical verification of fixed assets has not been done for the year 2018-19.

4. System of Physical Verification of Inventory:

No inventory is maintained by the Regulatory Authority.

5. Regularity in payment of statutory dues:

The Regulatory Authority is regular in depositing the undisputed statutory dues.

Sd/-xxxx

Deputy Accountant General

Annexure II to the Separate Audit Report

Review of Accounts of the Tamil Nadu Real State Regulatory Authority for the year ended 31 March 2019 by the Comptroller and Auditor General of India Financial Performance:

The summarized Financial Position and Working Results of the Authority period up to the year 2018-19 are furnished below:

(a) Financial Position:

Particulars	2017-18	2018-19
	(₹in lakh)	(₹in lakh)
Assets:		
Fixed Assets (Net Block)	105.83	200.21
Cash and Bank balances	773.08	966.72
Investments	400.10	700.10
Other Assets	9.65	43.96
Total	1288.66	1910.99
Liabilities:		
Fund Account:		
Payable to Govt.	NIL	NIL
Capital Fund	1152.96	1680.75
Current Liabilities	135.70	230.24
Total	1288.66	1910.99

(b) Working Results:

Particulars	2017-18	2018-19
	(₹in lakh)	(₹in lakh)
Income:		
Grants-in-Aid from Government	NIL	NIL
Fees and other Receipts	1275.50	919.42
Other Income	9.39	34.02
Total Income	1284.89	953.44
Expenditure:		
Employee Cost	50.12	189.94
Administrative & General Expenses	71.05	221.65
Depreciation	10.34	28.88
Others	0.42	25.56
Total Expenditure	131.92	466.03
Excess of Income over Expenditure	1152.96	487.41

Sd/-xxxx
Deputy Accountant General

Impact of Comments on the Annual Accounts of TNRERA for 2018-19

Based on the draft Separate Audit Report, the Annual Accounts adopted by the Authority on 06 January 2020 have been revised. Consequently, expenditure in respect of Travelling, Wages, Outsourcing charges and Miscellaneous expenses were increased resulting in a total decrease of excess of income over expenditure by ₹40,38,720 as follows;

Details of Expenditure	Preliminary (₹)	Final (₹)	Increase (₹)
Travelling Expenses		1059257	1059257
Wages	765380	765830	450
Outsourcing Charges		558728	558728
Miscellaneous Expenses	135972	2556257	2420285
Total	901352	4940072	4038720

Sd/-xxx
Deputy Accountant General

FORM "O" TAMILNADU REAL ESTATE REGULATORY AUTHORITY ANNUAL STATEMENT OF ACCOUNTS Receipts & Payments Account For the year ended 31st March, 2019							
(In Rupees)							
A/C Code	Receipts	Current year as on 31.03.2019	Previous year as on 31.03.2018	A/C Code	Payments	Current year as on 31.03.2019	Previous year as on 31.03.2018
1.	To Balance Brought down:	-	-	13	By Chairperson and Members:	-	-
1.1	Bank	7,73,08,334.20	-	13.1	Pay and Allowances	34,03,254.00	3,96,233.00
1.2	Cash in Hand	-	-	13.2	Other Benefits	-	-
2	To Fee, Charges And Fine:	-	-	13.3	Travelling Expenses	-	-
2.1	Fees	9,20,03,938.81	12,77,57,194.20	13.3.1	Overseas	-	-
2.2	Charges	-	-	13.3.2	Domestic	-	-
2.3	Fines	-	-	14	By Officers:	-	-
2.4	Others	-	-	14.1	Pay and Allowanes	10,73,636.00	4,29,313.00
3	To Grants:	-	-	14.2	Retirement Benefits	-	-
3.1	Accounts with Government	-	-	14.3	Other Benefits	-	-
3.2	Others	-	-	14.4	Travelling Expenses:	-	-
4	To Gifts	-	-	14.4.1	Overseas	-	-
5	To Seminars and Conferences	75,000.00	-	14.4.2	Domestic	-	-
6	To Sale of Publications	-	-	15	By Staff:	-	-
7	To Income on Investments and Deposits	-	-	15.1	Pay And Allowances	1,09,20,529.00	30,63,791.00
7.1	Income on Investments	-	-	15.2	Retirement Benefits	-	-
7.2	Income on Deposits	-	27,400	15.3	Other Benefits	-	-
8	To Loans:	-	-	15.4	Travelling Benefits	-	-
8.1	Government	-	-	15.4.1	Overseas	-	-
8.2	Others	-	-	15.4.2	Domestic	-	-
9	To Sale of Assets	-	-	16	By Hire of Conveyance	12,53,658.00	5,86,543.00
10	To Sale on Investments	-	-	17	By Wages	7,65,380.00	2,37,380.00
11	To Recoveries from pay bill	-	-	18	By Overtime	-	-
11.1	Loans and Advances Principal amount	5,764.00	-	19	By Honorarium	-	-
11.2	Interest on Loans and Advances	-	-	20	By Books and Periodicals	4,410.00	-
11.3	Miscellaneous	9,000.00	-	20.1	By Office Maintenance	11,85,053.00	-
51	To Others (Current Liabilities)	19,14,805.00	-	20.2	By Outsourcing Charges	-	-
	To Others	87,122	-	20.3	By Postage Charges	1,32,276.00	32,600.00
				20.4	By Printing & Stationary	4,13,266.00	1,21,424.00
				20.5	By Telephone Charges	4,06,909.00	1,57,921.00
				20.6	By Vehicle Insurance	37,873.00	-
				20.7	By Vehicle Maintenance	1,58,787.00	-
				20.8	By VIP Refreshment Charges	-	3,846.00
				20.9	By Fee, Charges and Fine	-	2,07,140.00
				20.9	By Web Page Portal charges	18,74,275.00	-
				21	By Expenditure on Research	-	-

TAMILNADU REAL ESTATE REGULATORY AUTHORITY
ANNUAL STATEMENT OF ACCOUNTS
Income & Expenditure Account
For the 1st April 2018 to 31st March 2019

(In Rupees)									
A/C Code	Expenditure	Note No.	Current year as on 31.03.2019	Previous year as on 31.03.2018	A/C Code	Income	Note No.	Current year as on 31.03.2019	Previous year as on 31.03.2018
13	To Chairperson and Members		-	-	2	By Fee, Charges and Fine		-	-
13.1	Pay and Allowances		44,02,822.00	7,67,883.00	2.1	Fee	4	9,19,41,798.81	12,75,50,054.20
13.2	Other Benefits		-	-	2.2	Charges		-	-
13.3	Travelling Expenses		-	-	2.3	Fines		-	-
13.3.1	Overseas		-	-	2.4	Others		-	-
13.3.2	Domestic		-	-	3	By Grants		-	-
14	To Officers		-	-	3.1	Account with Government		-	-
14.1	Pay and Allowances		19,77,681.00	7,46,992.00	3.2	Others		-	-
14.2	Retirement Benefits		-	-	4	By Gifts		-	-
14.3	Other Benefits		-	-	5	By Seminars and Conferences		-	-
14.4	Travelling Expenses		-	-	6	By Sale of Publications		-	-
14.4.1	Overseas		-	-	7	By Income on Investments and Deposits		-	-
14.4.2	Domestic		-	-	7.1	Income on Investments		-	-
15	To Staff		-	-	7.2	Income on Deposits		34,02,115.00	9,39,347.00
15.1	Pay and Allowances		1,15,54,245.00	34,95,989.00	11.2	Interest on Loans and Advances			
15.2	Retirement Benefits		-	-	12	By Miscellaneous			
15.3	Other Benefits		-	-					
15.4	Travelling Expenses		10,59,257.00	-					
15.4.1	Overseas		-	-					
15.4.2	Domestic		-	-					
16	To Hire of Conveyance		13,83,711.00	6,08,929.00					
17	To Wages		7,65,830.00	2,84,384.00					
18	To Overtime		-	-					
19	To Honorarium		-	-					
20	To Books and Periodicals		30,430.00	-					
20.1	To Office Maintenance		30,65,240.00	8,53,322.00					
20.2	To Outsourcing Charges		5,58,728.00	2,57,944.00					
20.3	To Postage Charges		1,32,276.00	32,600.00					
20.4	To Printing and Stationary		4,26,735.00	1,21,424.00					
20.5	To Telephone Charges		4,30,200.00	1,57,921.00					
20.6	To Vehicle Insurance		37,873.00	-					
20.7	To Vehicle Maintenance		1,72,872.00	-					

TAMILNADU REAL ESTATE REGULATORY AUTHORITY									
ANNUAL STATEMENT OF ACCOUNTS									
Balance Sheet as on 31 st March 2019									
(In Rupees)									
A/c Code	Liabilities	Note No.	Current Year as on 31.03.2019	Previous year as on 31.03.2018	A/c Code	Assets	Note No.	Current Year as on 31.03.2019	Previous year as on 31.03.2018
40	Funds	1			43	Fixed Assets	3		
40.1	Capital Fund		16,80,75,280.01	11,52,96,371.20	43.1	Gross Block at Cost		2,39,44,056.00	1,16,17,648
						Less: Cumulative Depreciation		39,22,838	10,34,426
40.2	Other Funds		-	-	42.2	Net Block		2,00,21,218	1,05,83,222
41	Reserves		-	-	44	Capital Work-in-progress		-	-
8	Loans	2	-	-	31	Investments & Deposits		-	-
8.1	Government		-	-	31.1	Investments		-	-
					31.2	Deposits		7,00,00,000	4,00,00,000
						Loans and Advances		50,000.00	25,000.00
42	Current Liabilities and Provisions		2,30,24,294.00	1,35,69,532.00	32	Security Deposit		10,000.00	10,000.00
					3.1	Account with Government			
					45	Sundry Debtors			
					36	Cash and Bank Balances		9,66,71,894.01	7,73,08,334.20
					46	Other Current Assets			
						Branch - TNREAT		5,000.00	
					46.1	Interest Receivable on Fixed Deposits		39,07,315.00	93,935
					46.2	TDS Receivable on Fixed Deposits		4,34,147.00	8,45,412
	Total		19,10,99,574.01	12,88,65,903.20		Total		19,10,99,574.01	12,88,65,903.20
Sd/-xxxx SECRETARY		Sd/-xxxx MEMBER		Sd/-xxxx MEMBER		Sd/-xxxx CHAIRPERSON			

TAMIL NADU REAL ESTATE REGULATORY AUTHORITY

Notes forming part of the Balance sheet and Income & Expenditure Account

2018-19

Note No.1

40 Funds

40.1 Capital Fund

168075280.01

Grand Total

168075280.01

Note No.2

Current Liabilities

42 Current Liabilities and Provisions

23024294.00

Chennai Metropolitan Development Authority

3356880.00

EMD

23130.00

Expense payable

309856.00

Prison Department

16776288.00

Retention – G. Venkatesan

6040.00

Retention – Sri Lakshmi Electricals

77380.00

Salary Payable

2061141.00

Security Deposit

87220.00

Somesh Enterprises	310976.00
Sri Lakshmi Electricals	5086.00
Surya Rental Copier Systems	10297.00
Grand Total	23024294.00

Note No.3

Fixed Assets

	Debit	Credit
43 Fixed Assets	23944056.00	3922838.00
43.1 Computer & Accessories	4154787.00	
Computer & Accessories	2991784.00	
Software Development	1163003.00	
43.2 Office Equipment	2190567.00	
Equipments	2174492.00	
Telephone Instruments	16075.00	
43.3 Furniture & Fittings	10678510.00	
Civil Works	4138086.00	
Furniture & Fittings	2506424.00	
Interior & Partion Work	4034000.00	

43.4 Electricals	2623546.00	
Electrical works	2623546.00	
43.5 Vehicles	4296646.00	
Car	4296646.00	
43.9 Cumulative Depreciation		3922838.00
Depreciation for 43.1		1764124.00
Depreciation for 43.2		192299.00
Depreciation for 43.3		1032850.00
Depreciation for 43.4		380414.00
Depreciation for 43.5		553151.00
	23944056.00	3922838.00
Grand Total	2,00,21,218.00	

Note No.4

	Debit	Credit
2.1 To Fees	57140.00	91991597.81
Complaint Fees		898301.00
Complaint Fees-Adjudication		1642500.00
Fees-Change in Regn. Certificate		96160.00
Project Renewal fees		1100986.00

Refund of Registration Fees	57140.00	
Registration Fees –Agent-Firm		4350000.00
Registration Fees –Agent-Individual		14480000.00
Registration Fees projects		69411675.81
RTI		775.00
Tribunal Appeal Fee		11200.00
2.4 by Others		7341.00
Document Charges		7341.00
	57140.00	91998938.81
Grand Total		9,19,41,798.81

Note No.5 - Accounting policies for measurement and compilations of Annual Statement of Accounts of Tamil Nadu Real Estate Regulatory Authority.

The Tamil Nadu Real Estate Regulatory Authority (TNRERA) is functioning in Door 1A, 1st Floor, Gandhi Irwin Bridge Road, Egmore, Chennai-600 008. The TNRERA have been established on 22.06.2017 by the Housing and Urban Development (UD(2)) Department, Government of Tamil Nadu as per the Real Estate (Regulation and Development) Act, 2016. This act provides for establishing the Real estate regulatory Authority (RERA) and Appellate Tribunal for monitoring and adjudicating disputes relating to real estate projects and also to frame Rules under this Act. Registration of all Real Estate Projects and Real Estate Projects and Real Estate Agents is made mandatory with the Authority. No sale in a real estate project can be made without registration of the project with the Authority. These Rules will apply to all ongoing projects and future projects and future projects where the area of land exceeds five hundred square meters or the number of apartments proposed to be developed exceed eight inclusive of all phases.

5.1 Statement of compliance:

The Annual Statement of accounts of the Authority have been prepared in accordance with and to comply in all material aspects with the Tamil Nadu Real Estate (Regulation and Development) Rules, 2017 as framed by the powers under section 84 of the Real Estate (Regulation and development) Act 2016.

5.2 Basis of Measurement:

The Annual Statement of Accounts have been prepared on accrual and going concern basis under the historical cost convention. The accounting policies have been consistently applied by the Authority unless stated otherwise. Previous year figures have been regrouped/reclassified wherever necessary to conform with the current years classification/disclosures.

5.3 Financial Year:

The Authority has opted the period of 1st day of April to 31st days of March, each year as its financial year for the purpose of preparation of Annual Statement of Accounts.

5.4 Functional and Presentation Currency

The Annual Statement of Accounts have been prepared and presented in Indian Rupees, which is also the Authority's functional currency.

5.5 Rounding off

All amounts in the financial statement and accompanying notes are presented in a rupee and have been rounded-off to nearest rupee.

5.6 Current and Non-current Classification

The Authority has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

5.7 Use of Estimates and Judgement

The preparation of Annual Accounts requires members to exercise judgement and made estimates and assumption that effects the reported amounts of income, expenses, assets and liabilities. These estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the results are known/materialise. The areas involving significant estimates and judgement include determination of useful life of property, plant and equipment, measurement of defined benefit obligations, recognition and measurement of provisions and contingencies.

5.8 Revenue Recognition

The fee collected from the promoter or agent for one time registration and subsequent extension of registration of their projects are collected at the rate as determined by the orders of the Authority which is published on the website of the Authority from time to time is recognized on cash basis or actual receipt basis at the time of application received by the Authority. Fee is measured at the rate provided in the chapter III of the Tamil Nadu Real estate regulatory Authority (General) Regulations, 2018. Interest income is recognized using accrual basis method.

5.9 Government Grants

Government grant in relation to capital nature i.e. supply of fixed asset is treated as deferred income and is recognized in the statement income and expenditure account on a systematic basis over the useful life of the asset. Government grant in relation to revenue outlay is recognized as income in the income and expenditure account on fulfillment of the conditions imposed while sanction.

5.10 Employee Benefits

The Authority makes contributions to Provident Fund, Employees State Insurance, National Pension System etc. for eligible employees and these contributions are charged to income and expenditure account on accrual basis. Outsourced employee benefits including the contributions to PF and ESI are paid to the manpower agencies and directly charged to income and expenditure account on accrual basis during the period of outsourcing.

5.11 Payable/Deposits/Current Liabilities

Any penalties levied by the Authority against non compliance of the provisions of the Act/orders and/or instructions of the Authority will be treated as amount payable to the Government at the time of the receipt and the same will be remitted in to Government account. Since this penalty is due to Government and not revenue to the Authority, this will be treated on cash basis as and when the same is collected in TNRERA.

5.12 Property, Plant and Equipment

Items of property, plant & equipment are stated at cost less accumulated depreciation cost as inclusive of freight, duties, taxes or levies (net of recoverable taxes) and any directly attributable cost of bringing the assets to their working condition for intended use. Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as a Capital work-in-progress. Profit or loss on disposal/scrapping/write off/retirement from active use of an item of property, plant and equipment is recognized in the income and expenditure account.

5.13 Depreciation/Amortisation

The Authority has assessed the useful lives of property, plant and equipment as per the provisions of the Income Tax Act 1961. Accordingly, depreciation has been computed on useful lives based on technical evaluation of relevant class of assets including components thereof. Useful lives and residual values are reviewed annually. Depreciation is provided as per the straight line method computed basis adopting depreciation rate at 10% for Civil Works, Electrical Works, Interior Works, Furniture and Fixtures and Office Equipments. Depreciation rate at 40% on IT equipments, Telephones Instruments and Software and at 15% for Vehicles.

5.14 Provisions and Contingent Liabilities & Assets

Provisions for Contingencies/Contingent Liabilities are recognized/disclosed after evaluation of facts and legal aspects of the matter involved. Provisions are recognized when the Authority has a present obligation (legal/ constructive) and on judgement as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. As the timing of outflow of resources is uncertain, being dependent upon the outcome of the future proceedings, these provisions are not discounted to their present value. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be accrued/realized.

5.15 Cash and Cash Equivalents

Cash and cash equivalents for the purpose of statement of receipts and payments include bank balances, cheques and drafts on hand including remittances in transit, and other short term highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

5.16 Revision as per SAR

The Annual Statement of Accounts for the year 2018-19 have been submitted to the Accountant General, Tamil Nadu for Certification. The Accountant General has issued Separate Audit report. Based on the comments of Accountant General in SAR the Annual Accounts for the year 2018-2019 have been revised. Due to the revision of the excess of expenditure over income has been decreased by Rs.23,50,962/- on account of the provision made for the salary for the month of March 2019 paid in April 2019 and the Loans and Advances decreased by Rs.39,756/- on account of the accounting of imprest advance.

**Sd/-xxxx
SECRETARY**

**Sd/-xxxx
MEMBER**

**Sd/-xxxx
MEMBER**

**Sd/-xxxx
CHAIRPERSON**