



Tamil Nadu Real Estate Regulatory Authority (TNRERA)

Annual Report - 2019-2020

TAMILNADU REAL ESTATE REGULATORY AUTHORITY (TNRERA)

ANNUAL REPORT (2019-20)

1. Introduction

The Government of India 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 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 was 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) was 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 during 2019-2020

Registration has been granted for 634 real estate projects. 684 Agents have also been registered. Final Orders were passed in 742 Complaints filed before the Authority and 210 complaints are being heard. The Adjudicating Officer has passed Final Order in 160 Complaints seeking compensation and another 246 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.

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 2019-2020 is annexed in Form 'P' of this report.

I – A RETURN ON REGISTRATION OF REAL ESTATE PROJECTS

No. of Projects Registered	: 634
Fees Collected	: Rs.6,53,55,786.00

I – B RETURN ON REGISTRATION OF REAL ESTATE AGENTS

No. of Agents Registered	: 684
Fees Collected	: Rs.1,10,02,932.00

II RETURN ON NUMBER OF CASES DISPOSED

A. No. of cases disposed by Authority	: 742
B. No. of cases disposed by Adjudicating officer	: 160

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

The competent Authorities such as DTCP & CMDA, while issuing planning permission put a condition that the promoter shall register the Real Estate project with TNRERA before advertising, marketing or booking, selling or offering for sale in any Real Estate project and comply with Section 3 (1) of the Real Estate (Regulation and Development) Act, 2016. In addition, the planning Authorities while issuing completion certificate ensure that the promoter has registered the project with TNRERA.

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

1. TNRERA also issues notices to the promoters if the TNRERA Reg No. & Website address of the Authority are not prominently mentioned in the Advertisement in any media.
2. The Government in Commercial Taxes and Registration Department in Letter No. 6275/J1/ 2020 dated 05.09.2020 instructed the Inspector General of Registration to give suitable instruction to all the Sub Registrar Offices to register the plots by insisting the proof of Registration with TNRERA before Registration.
3. The Banks before releasing project fund to the Developer insist Registration under TNRERA. Similarly before releasing house loan to the allottees, the Bank insist RERA Registration.
4. Awareness Programme have been organized across the State to create awareness among the promoters and the Home buyers to explain the Act and Rule provisions

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

No. of cases	: 223
Penalty imposed	: Rs.1,94,78,000.00

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 2020

1. We have audited the attached Balance Sheet of the Tamil Nadu Real Estate Regulatory Authority (TNRERA) and Receipts and Payments Account, Income and Expenditure Account for the year ended on that date 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. These financial statements are the responsibility of the TNRERA's management. Our responsibility is to express an opinion on these financial statements based on our Audit.
2. This separate Audit Report contains the comments of the Comptroller & Auditor General of India (CAG) on the accounting treatment only, with regard to classification, conformity with the best accounting practices, accounting standards, and disclosure norms, etc., Audit observation on financial transactions with regard to compliance with the Law, Rules & Regulations (Propriety & Regularity) and efficiency-cum- performance aspects, etc., if any, are reported through Inspection Reports/CAG's Audit Reports separately.
3. 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.
4. 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 Balance Sheet, Income and Expenditure Account and Receipts and Payments Account, dealt with by this report have been drawn up in the formats laid down in the Section 77 of the Real Estate (Regulation & Development) Act 2016;
 - iii) In our opinion, proper books of accounts and other relevant records have been maintained by the TNRERA, 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,

- A. Based on the provisional comments to Separate Audit Report, the Annual Financial Statements approved by the Authority on 06/19 April 2021 have been revised. Consequently, excess of income over expenditure for the year ended 31 March 2020 has been decreased by ₹8,53,842. The revised Annual Financial Statements have been approved by the Authority on 28 April 2022
- B. Deficiencies which have not been included in this Audit Report have been brought to the notice of the Chairman, TNRERA through a management letter issued separately for remedial / corrective action.

v) Subject to our observations in the preceding paragraphs, we report that the Balance Sheet, Income and Expenditure Account and Receipts and Payments Account 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 Accounting Policies and Notes on Accounts and subject to the significant matters stated above and other matters mentioned in Annexure -I to this Audit Report gives a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In so far as it relates to the Balance Sheet, of the affairs of the TNRERA as at 31 March 2020; and
- b. In so far as it relates to the Income & Expenditure Account of the surplus for the year ended on that date.

5. 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: 22.08.2022

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

Annexure I
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 2020

1. Adequacy of Internal Audit System:

The Regulatory Authority does not have any Internal Audit system in place. This was pointed out in the separate Audit report of 2018 - 19

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 2019- 20.

4. System of Physical Verification of Inventory:

Physical verification of fixed assets has been done for the year 2019- 20.

5. Regularity in payment of statutory dues:

The Regulatory Authority is regular in depositing the statutory dues.

Sd/-xxxx

Deputy Accountant General

Annexure II

Separate Audit Report of the Comptroller and Auditor General of India on the Accounts of the Tamil Nadu Real State Regulatory Authority for the year ended 31 March 2020

Financial Performance:

The summarized Financial Position and Working Results of the Authority period up to the year 2019-20 are furnished below:

(a) Financial Position:

Particulars	2019-20	2018-19	2017-18
	(₹in lakh)	(₹in lakh)	(₹in lakh)
Assets:			
Fixed Assets (Net Block)	299.26	200.21	105.83
Cash and Bank balances	244.32	966.72	773.08
Investments	143.55	700.10	400.10
Other Assets	58.7	43.96	9.65
Total Assets	2035.89	1910.99	1288.66
Liabilities:			
Capital Fund	1793.4	1680.75	1152.96
Current Liabilities	242.45	230.24	135.70
Total	2035.89	1910.99	1288.66

(b) Working Results:

Particulars	2019-20	2018-19	2017-18
	(₹in lakh)	(₹in lakh)	(₹in lakh)
Income:			
Fees and other Receipts	832.43	919.42	1275.50
Other Income	99.64	34.02	9.39
Total Income	932.07	953.44	1284.89
Expenditure:			
Employee Cost	376.94	189.94	50.12
Administrative & General Expenses	388.17	221.65	71.05
Depreciation	54.27	28.88	10.34
Others	NIL	25.56	0.42
Total Expenditure	819.38	466.03	131.92
Excess of Income over Expenditure	112.69	487.41	1152.96

Sd/-xxxx
Deputy Accuntant General

FORM 'O' TAMILNADU REAL ESTATE REGULATORY AUTHORITY ANNUAL STATEMENT OF ACCOUNTS Receipts & Payments Account For the year ended 31st March, 2020							
(In Rupees)							
A/c Code	Receipts	Current year as on 31.03.2020	Previous year as on 31.3.2019	A/c Code	Payments	Current year as on 31.03.2020	Previous year as on 31.3.2019
1	To Balance Brought down :			13	By Chairperson and Members :		
1.1	Bank	96671894	77308334	13.1	Pay and Allowances	12817282	3403254
1.2	Cash in Hand			13.2	Other Benefits		
2	To Fee, Charges And Fine :			13.3	Travelling Expenses		
2.1	Fees	87474627	92003939	13.3.1	Overseas		
2.2	Charges			13.3.2	Domestic		
2.3	Fines			14	By Officers :		
2.4	Others			14.1	Pay and Allowances	6917525	1073636
3	To Grants :			14.2	Retirement Benefits		
3.1	Accounts with Government			14.3	Other Benefits		
3.2	Others			14.4	Travelling Expenses :	249109	
4	To Gifts			14.4.1	Overseas		
5	To Seminars and Conferences		75000	14.4.2	Domestic		
6	To Sale of Publications			15	By Staff :		
7	To Income on Investments and Deposits			15.1	Pay and Allowances	22079750	10920529
7.1	Income on Investments			15.2	Retirement Benefits		
7.2	Income on Deposits	4518955		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	2289383	1253658
10	To Sale on Investments			17	By Wages	568159	765380
11	To Recoveries from pay bill			18	By Overtime		
11.1	Loans and Advances Principal amount	34323331	5764	19	By Honorarium		

11.2	Interest on Loans And Advances			20	By Books and Periodicals	198481	4410
11.3	Miscellaneous Income		9000	20.1	By Office Maintenance	6570529	1185053
51	To Others (current Liabilities)	25496281	1914805	20.2	By Outsourcing Charges		
	To Others	240487	87122	20.3	By Postage Charges	419380	132276
				20.4	By Printing and Stationary	501722	413266
				20.5	By Telephone Charges	461481	406909
				20.6	By Vehicle Insurance	36364	37873
				20.7	By Vehicle Maintenance	348481	158787
				20.8	By VIP Refreshment Charges	142499	
				20.9	By Web Page Portal Charges		1874275
				21	By Expenditure on Research		
				21.1	By Fee, Charges and Fine		
				22	By Consultation Expenses		
				23	By Seminars and Conferences		219550
				24	By Publications of Authority		196281
				25	By Rent and Taxes	7173000	
				26	By Interest on Loans		
				27	By Promotional Expenses		195
				28	By Membership Fee		
				29	By Subscription		
					By Bank charges	1782	
				30.1	By Furnitures & Fittings	5662704	2507212
				30.2	By Computer & Accessories	101039	1703128
				30.3	By Equipment	206983	1481990
				30.4	By Telephone Instruments		
				30.5	By Software Development		
				30.6	By Car	9259974	2632488

				31	By Investments and Deposits		
				31.1	Investments	100000000	30000000
				31.2	Loans and advances	427242	94756
					Other current Assets		5000
				32	By Security Deposits		
				33	By Loans and Advances to :		
				33.1	Employees :		
				33.1.1	Bearing Interest		
				33.1.2	Not Bearing Interest		
				33.2	Suppliers/Contractors		
					Current Liabilities & Provisions	46842032	14064767
				33.3	Others	882601	135257
				34	By Repayment of Loan		
				35	By Others		
				35.1	Leave Salary and Pension		
				35.2	Contribution	186953	
				35.3	Audit Fee		
				35.4	Miscellaneous	149241	62140
				36	By Balance carried down :		
				36.1	Bank	24231879	96671894
				36.2	Cash in Hand		
		248725575	171403964			248725575	171403964
Sd/-xxxx Secretary		Sd/-xxxx Member		Sd/-xxxx Member		Sd/-xxxx Chairperson	

TAMILNADU REAL ESTATE REGULATORY AUTHORITY ANNUAL STATEMENT OF ACCOUNTS Income & Expenditure Account For the 1st April 2019 to 31st March 2020									
(In Rupees)									
A/c Code	Expenditure	Note No.	Current year as on 31.03.2020	Previous year as on 31.3.2019	A/c Code	Income	Note No.	Current year as on 31.03.2019	Previous year as on 31.3.2018
13	To Chairperson and Members	5			2	By Fee, Charges and Fine	9		
13.1	Pay and Allowances		13947757	4402822	2.1	Fee		83242741	91941799
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	6			3.1	Account with Government			
14.1	Pay and Allowances			1977681	3.2	Others			
14.2	Retirement Benefits				4	By Gifts			
14.3	Other Benefits				5	By Seminars and Conferences			
14.4	Travelling Expenses		249109		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			7.2	Income on Deposits	10	9960389	3402115
15.1	Pay and Allowances		23746206	11554245	11.2	By Interest on Loans and Advances			
15.2	Retirement Benefits				12	By Miscellaneous		3855	
15.3	Other Benefits								
15.4	Travelling Expenses								
15.4.1	Overseas								
15.4.2	Domestic								
16	To Hire of Conveyance	8	2366978	1383711					
17	To Wages		568159	765380					
18	To Overtime								
19	To Honorarium								
20	To Books and Periodicals		231801	30430					
20.1	To Office Maintenance		8713728	3065240					
20.2	To Outsourcing Charges		7690078						
20.3	To Postage Charges		419380	132276					
20.4	To Printing and Stationary		505257	426735					
20.5	To Telephone Charges		481074	430200					
20.6	To Vehicle Insurance		36364	37873					

20.7	To Vehicle Maintenance		319104	172872				
20.8	To VIP Refreshment Charges		145628	14175				
20.9	To Bank charges		1782					
20.10	To Web Page Portal Charges			1874275				
21	To Expenditure on Research							
22	To Consultation Expenses							
23	To Seminars and Conferences			144550				
24	To Publications of Real Estate Authority			196281				
25	To Rent and Taxes		16635184	12920880				
26	To Interest on Loans							
27	To Promotional Expenses			10995				
28	To Membership Fee		300000					
29	To Subscription							
35	To Others							
35.1	Leave Salary and Pension							
35.2	Contribution							
35.3	Audit Fee							
35.4	Miscellaneous		153185	135972				
37	To Depreciation		5427139	2888412				
48	To Loss on sale of Assets							
49	To Bad debts Written off							
50	To Provision for bad & Doubtful Debts							
	To Excess of Income and Expenditure (Transferred to Capital Fund Account)		11269072	52778909				
			93206985	95343914			93206985	95343914
Sd/-xxxx Secretary			Sd/-xxxx Member		Sd/-xxxx Member		Sd/-xxxx Chairperson	

TAMILNADU REAL ESTATE REGULATORY AUTHORITY ANNUAL STATEMENT OF ACCOUNTS Balance Sheet as on 31st March 2020									
(In Rupees)									
A/c Code	Liabilities	Note No.	Current year as on 31.03.2020	Previous year as on 31.3.2019	A/c Code	Assets	Note No.	Current year as on 31.03.2020	Previous year as on 31.3.2019
40	Funds	1	179344352	168075280	43	Fixed Assets	3	39276223	23944056
40.1	Capital Fund				43.1	Gross Block at Cost			
						Less : Cumulative Depreciation			
					42.2	Net Block			
40.2	Other Funds	2	24244785	23024294	44	Capital Work-in-progress	4	29926246	20021218
41	Reserves				31	Investments & Deposits			
8	Loans				31.1	Investments			
8.1	Government				31.2	Deposits			
						Loans and advances			
42	Current Liabilities and Provisions	2	24244785	23024294	32	Security Deposit	4	143529205	70000000
					3.1	Account with Government			
					45	Sundry Debtors			
					36	Cash and Bank Balances			
					46	Other Current Assets			
						Branch - TNREAT			
					46.1	Interest Receivable on Fixed Deposits			
					46.2	TDS on Fixed Deposits			
			203589137	191099574				203589137	191099574
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 2019-20

Note No: 1

40.1 Capital Fund	179344352
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Note No: 2

Current Liabilities

42 Current Liabilities and Provisions	24244785
Chennai Metropolitan Development Authority (CMDA)	7542524
EMD	21480
Expense Payable	272943
Prison Department	8224352
Retention - G.Venkatesan	6040
Retention - Sri Lakshmi Electricals	77380
Salary Payable	2860317
Security Deposit	94975
Somesh Enterprises	633363
Sri Lakshmi Electricals	130142
Surya Rental Copier Systems	13504
Penalty charges collected	838560
Appeal Deposits	3529205
Grand Total	24244785

Note No: 3**Fixed Assets**

	Debit	Credit
43 Fixed Assets	39276223	9349977
43.1 Computer & Accessories	4357293	
Computers & Accessories	3173050	
Software Development	1184243	
43.2 Office Equipment	2397550	
Equipments	2381475	
Telephone Instruments	16075	
43.3 Furniture & Fittings	16341214	
Civil Works	4138086	
Furniture and Fittings	4473128	
Interior & Partition Work	7730000	
43.4 Electricals		
Electrical Works	2623546	
43.5 Vehicles		
Car	13556620	
43.9 Cumulative Depreciation		9349977
Depreciation for 43.1		3467535
Depreciation for 43.2		432663
Depreciation for 43.3		2411143
Depreciation for 43.4		642769
Depreciation for 43.5		2395867
	39276223	9349977
Grand Total	29926246	

Note No: 4

	Credit
2.1To Fees	83242741
Complaint Fees	2839140
Fees-Change in Regn Certificate	162000
Project Renewal Fees	2367932
Registration Fees - Agent - Firm	3600005
Registration Fees - Agent - Individual	8635000
Registration Fees Projects	65355786
TRIBUNAL APPEAL FEE	282878
Grand Total	83242741

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 No.1A, 1st Floor, Gandhi Irwin Bridge Road, Egmore, Chennai - 600008. 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 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 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 day 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 make estimates and assumptions that affects 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 recognised 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 recognised 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 recognised 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 recognised as income in the income and expenditure account on fulfilment of the conditions imposed while sanction.

5.10 Employee Benefits

The Authority makes contributions to Provident Fund, Employee 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 an accrual basis during the period of outsourcing.

5.11 Payables/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 its 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 is 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 recognised 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, Telephone Instruments and Software and at 15% for Vehicles.

5.14 Provisions and Contingent Liabilities & Assets

Provisions for Contingencies/ Contingent liabilities are recognised/disclosed after evaluation of facts and legal aspects of the matter involved.Provisions are recognised 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 recognised in the financial statements since this may result in the recognition of income that may never be accrued/realised.

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.

Sd/-xxxx
SECRETARY

Sd/-xxxx
MEMBER

Sd/-xxxx
MEMBER

Sd/-xxxx
CHAIRPERSON