



Tamil Nadu Real Estate Regulatory Authority (TNRERA)

Annual Report - 2020-2021

TAMILNADU REAL ESTATE REGULATORY AUTHORITY (TNRERA)

ANNUAL REPORT (2020-21)

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 2020-2021

Registration has been granted for 720 real estate projects. 296 Agents have also been registered. Final Orders were passed in 167 Complaints received before the Authority and 266 complaints are being heard. The Adjudicating Officer has passed Final Order in 120 Complaints seeking compensation and another 347 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 2020-2021 is annexed in Form 'P' of this report.

I – A RETURN ON REGISTRATION OF REAL ESTATE PROJECTS

No. of Projects Registered	: 718
Fees Collected	: Rs.6,98,54,405.00

I – B RETURN ON REGISTRATION OF REAL ESTATE AGENTS

No. of Agents Registered	: 296
Fees Collected	: Rs.61,35,002.00

II RETURN ON NUMBER OF CASES DISPOSED

A. No. of cases disposed by Authority	: 167
B. No. of cases disposed by Adjudicating officer	: 120

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	: 128
Penalty imposed	: Rs.1,11,59,000.00

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 2021

1. We have audited the attached Balance Sheet of the Tamil Nadu Real Estate Regulatory Authority (TNRERA) as at 31 March 2021 and the 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, evidence 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 Receipt and Payment 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 25 Augustl 2021 have been revised. Consequently, excess of income over expenditure for the year ended 31 March 2021 has been decreased by ₹ 57,21,926. 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 issue separately for remedial / corrective action.

v) Subject to our observations in the preceding paragraphs, we report that the Balance Sheet and Receipts and Payments Account and Income and Expenditure 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 2021; 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 the accounts showing the summarized financial results of the Authority for the last three 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 2021

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 and subsequently in the SAR of 2019-20.

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 2020-21.

4. System of Physical Verification of Inventory:

Physical verification of fixed assets has been done for the year 2020-21.

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 2021

Financial Performance:

The summarized Financial Position and Working Results of the Authority period up to the year 2020-21 are furnished below:

(a) Financial Position:

Particulars	2020-21	2019-20	2018-19
	(₹in lakh)	(₹in lakh)	(₹in lakh)
Assets:			
Fixed Assets (Net Block)	252.27	299.26	200.21
Cash and Bank balances	110.96	242.320	966.72
Investments	1922.44	1435.55	700.10
Other Assets	0.10	58.76	43.96
Other Current Assets	52.40	NIL	NIL
Total Assets	2338.17	2035.89	1910.99
Liabilities:			
Capital Fund	1858.68	1793.44	1680.75
Current Liabilities	479.49	242.45	230.24
Total	2338.17	2035.89	1910.99

(b) Working Results:

Particulars	2020-21	2019-20	2018-19
	(₹in lakh)	(₹in lakh)	(₹in lakh)
Income:			
Fees and other Receipts	818.25	832.43	919.42
Other Income	97.04	99.64	34.02
Total Income	915.29	932.07	953.44
Expenditure:			
Employee Cost	364.58	376.94	189.94
Administrative & General Expenses	426.77	388.17	221.65
Depreciation	56.97	54.27	28.88
Others	1.73	NIL	25.56
Total Expenditure	850.05	819.38	466.03
Excess of Income over Expenditure	65.24	112.69	487.41

Sd/-xxxx
Deputy Accountant General

<p style="text-align: center;">FORM 'O' TAMILNADU REAL ESTATE REGULATORY AUTHORITY ANNUAL STATEMENT OF ACCOUNTS Receipts & Payments Account For the year ended 31st March, 2021</p>							
(In Rupees)							
A/c Code	Receipts	Current year as on 31.03.2021	Previous year as on 31.3.2020	A/c Code	Payments	Current year as on 31.03.2021	Previous year as on 31.3.2020
1	To Balance Brought down :			13	By Chairperson and Members :		
1.1	Bank	24231879	96671894	13.1	Pay and Allowances	12630275	12817282
1.2	Cash in Hand			13.2	Other Benefits		
2	To Fee, Charges And Fine :			13.3	Travelling Expenses		
2.1	Fees	82178180	87474627	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	7548473	6917525
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			14.4.2	Domestic		
6	To Sale of Publications			15	By Staff :		
7	To Income on Investments and Deposits			15.1	Pay and Allowances	20739367	22079750
7.1	Income on Investments	9922061	4518955	15.2	Retirement Benefits		
7.2	Income on Deposits			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	82254	2289383
10	To Sale on Investments			17	By Wages	747995	568159
11	To Recoveries from pay bill			18	By Overtime		
11.1	Loans and Advances Principal amount			19	By Honorarium		
11.2	Interest on Loans And Advances			20	By Books and Periodicals	28164	198481
11.3	Miscellaneous Income	102932		20.1	By Office Maintenance	5753650	6570529

51	To Others (current Liabilities)	20967235	25496281	20.2	By Outsourcing Charges		
	To Others	158433	240487	20.3	By Postage Charges	226032	419380
	To Investments and Deposits	100000000	30000000	20.4	By Printing and Stationary	677846	501722
	To Loans and advances	16393	411016	20.5	By Telephone Charges	455884	461481
	To Other current Assets	353820	3912315	20.6	By Vehicle Insurance		36364
				20.7	By Vehicle Maintenance	1265687	348481
				20.8	By VIP Refreshment Charges	42124	142499
				20.9	By Web Page Portal Charges		
				21	By Expenditure on Research		
				21.1	By Fee, Charges and Fine	353564	
				22	By Consultation Expenses		
				23	By Seminars and Conferences		
				24	By Publications of Authority		
				25	By Rent and Taxes	9564000	7173000
				26	By Interest on Loans		
				27	By Promotional Expenses		
				28	By Membership Fee		
				29	By Subscription	106200	
					By Bank charges	3166	1782
					By Legal Charges	248000	
				30.1	By Furnitures & Fittings	375227	5662704
				30.2	By Computer & Accessories	277536	101039
				30.3	By Equipment	337244	206983
				30.4	By Telephone Instruments		
				30.5	By Software Development		
				30.6	By Car		9259974
				31	By Investments and Deposits		
				31.1	Investments	140000000	100000000

				31.2	Loans and advances	299633	427242
					Other current Assets		882601
				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	24977032	46842032
				33.3	Others	95264	
				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
				36	By Balance carried down :		
				36.1	Bank	11096316	24231879
				36.2	Cash in Hand		
		237930933	248725575			237930933	248725575
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 2020 to 31st March 2021									
(In Rupees)									
A/c Code	Expenditure	Note No.	Current year as on 31.03.2021	Previous year as on 31.3.2020	A/c Code	Income	Note No.	Current year as on 31.03.2021	Previous year as on 31.3.2020
13	To Chairperson and Members				2	By Fee, Charges and Fine	4		
13.1	Pay and Allowances		13772750	13947757	2.1	Fee		81824616	83242741
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				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				7.2	Income on Deposits		9640113	9960389
15.1	Pay and Allowances		22684730	23746206	11.2	By Interest on Loans and Advances			
15.2	Retirement Benefits				12	By Miscellaneous		64302	3855
15.3	Other Benefits								
15.4	Travelling Expenses								
15.4.1	Overseas								
15.4.2	Domestic								
16	To Hire of Conveyance		83080	2366978					
17	To Wages		749295	568159					
18	To Overtime								
19	To Honorarium								
20	To Books and Periodicals		40571	231801					
20.1	To Office Maintenance		6892958	8713728					
20.2	To Outsourcing Charges		8347187	7690078					
20.3	To Postage Charges		241792	419380					
20.4	To Printing and Stationary		729281	505257					
20.5	To Telephone Charges		500125	481074					
20.6	To Vehicle Insurance			36364					

20.7	To Vehicle Maintenance		1268529	319104					
20.8	To Refreshment Charges		104957	145628					
20.9	To Bank charges		4392	1782					
20.10	To Web Page Portal Charges								
21	To Expenditure on Research								
22	To Consultation Expenses		248000						
23	To Seminars and Conferences								
24	To Publications of Real Estate Authority								
25	To Rent and Taxes		23006896	16635184					
26	To Interest on Loans								
27	To Promotional Expenses								
28	To Membership Fee		354000	300000					
29	To Subscription		106200						
35	To Others								
35.1	Leave Salary and Pension								
35.2	Contribution								
35.3	Audit Fee		59000						
35.4	Miscellaneous		114348	153185					
37	To Depreciation		5696633	5427139					
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)		6524307	11269072					
			91529031	93206985				91529031	93206985
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 2021									
(In Rupees)									
A/c Code	Liabilities	Note No.	Current year as on 31.03.2021	Previous year as on 31.3.2020	A/c Code	Assets	Note No.	Current year as on 31.03.2021	Previous year as on 31.3.2020
40	Funds	1	185868659	179344352	43	Fixed Assets	3	40273610	39276223
40.1	Capital Fund				43.1	Gross Block at Cost			
						Less : Cumulative Depreciation			
						Net Block			
40.2	Other Funds	2	47948826	24244785	42.2	Capital Work-in-progress		25227000	29926246
41	Reserves				44				
8	Loans				31	Investments & Deposits			
8.1	Government				31.1	Investments			
					31.2	Deposits		192244356	143529205
						Loans and advances			
						Security Deposit		10000	10000
42	Current Liabilities and Provisions				32				
		2	47948826	24244785	3.1	Account with Government	11096316	24231879	24231879
					45	Sundry Debtors			
					36	Bank Balances			
					46				
						Other Current Assets			
					46.1	Interest Receivable on Fixed Deposits		5159486	5441434
					46.2	TDS on Fixed Deposits		80327	434147
			233817485	203589137				233817485	203589137
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 2020-21

Note No: 1

40.1 Capital Fund **185868659**

Note No: 2

	Debit	Credit
Current Liabilities		
42 Current Liabilities and Provisions		47948826
Chennai Metropolitan Development Authority (CMDA)		11812159
EMD		21480
Expense Payable		1843265
Prison Department		11919581
Retention - G.Venkatesan		6040
Retention - Sri Lakshmi Electricals		77380
Salary Payable		3098158
Provision towards GST		5738400
Contribution	171919	
Security Deposit		244635
Appeal Deposits		12264145
Sri Lakshmi Electricals		130142
Audit fees (Collected & paid from Client)		100000
Penalty charges collected		865360
Grand Total	171919	48120745
		47948826

Note No: 3

Fixed Assets

	Debit	Credit
43 Fixed Assets	40273610	15046610
43.1 Computer & Accessories	4634829	
Computers & Accessories	3450586	
Software Development	1184243	
43.2 Office Equipment	2734794	
Equipments	2718719	
Telephone Instruments	16075	
43.3 Furniture & Fittings	16723821	
Civil Works	4138086	
Furniture and Fittings	4855735	
Interior & Partition Work	7730000	
43.4 Electricals		
Electrical Works	2623546	
43.5 Vehicles		
Car	13556620	
43.9 Cumulative Depreciation		15046610
Depreciation for 43.1		5260702
Depreciation for 43.2		694102
Depreciation for 43.3		3757322
Depreciation for 43.4		905124
Depreciation for 43.5		4429360
	40273610	15046610
Grand Total	25227000	

Note No: 4

	Credit
2.1To Fees	81824616
Complaint Fees	2090700
Fees-Change in Regn Certificate	130816
Project Renewal Fees	3440115
Registration Fees - Agent - Firm	2450000
Registration Fees - Agent - Individual	3685002
Registration Fees Projects	69854405
TRIBUNAL APPEAL FEE	172700
RTI Fees	878
Grand Total	81824616

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 aCapital 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