

Real Estate Regulatory Authority, Bihar

6th Floor, Bihar State Building Construction Corporation Building, Shastri Nagar, Patna-800023

Direction No- 2 of 2021

50/480, Dated 5th April 2021

Kind Attention: Promoters/Developers of Real Estate Projects

Sub: Submission of Statement of Accounts for the FY 2019-20 of the Real Estate Projects duly audited by the Chartered Accountants

Attention is invited to the Authority's email dated 13th March 2021 sent to the promoters of the real estate projects who have registered their projects or applied for registration of their projects with the Authority for submission by 31th March 2021 of the audited statement of accounts of each project duly certified and signed by a Chartered Accountant in practice enclosing therewith a verification report that the amount collected for a particular project and kept in a separate bank account have been utilized for the project and withdrawal has been in compliance with the proportion of the percentage of completion of the project. A copy of the aforesaid order along with Direction no 1 of 2021 of the Authority was also put on the website of the Authority.

In this connection, kind attention of all promoters /developers are invited to Section-4 (2) (I) (D) of the Real Estate (Regulation & Development) Act, 2016 which states that:

Seventy per cent of the amounts realised for the real estate project from the allottees, from time to time, shall be deposited in a separate account to be maintained in a scheduled bank to cover the cost of construction and the land cost and shall be used only for that purpose,

Provided that the promoter shall withdraw the amounts from the separate account, to cover the cost of the project, in proportion to the percentage of completion of the project;

Provided further that the amounts from the separate account shall be withdrawn by the promoter after it is certified by an engineer, an architect and a chartered accountant in practice that the withdrawal is in proportion to the percentage of completion of the project;

Provided also that the promoter shall get his accounts audited within six months after the end of every financial year by a chartered accountant in practice, and shall produce a statement of account duly certified and signed by such chartered accountant and it shall be verified during the audit that the amounts collected for a particular project have been utilized for the project and the withdrawal has been in compliance with the proportion to the

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percentage of completion of the project.

It has been brought to the attention of the Authority that though many Promoters of the Real Estate Projects have submitted the statement of accounts of their projects for the FY2019-20 duly audited by the Chartered accountants in practice, large number of Promoters /Developers who have either registered their projects or applied for registration of the projects with the Real Estate Regulatory Authority (RERA), Bihar have NOT submitted the statement of accounts of their projects for the FY 2019-20 duly audited by the Chartered accountants to the Authority.

In exercise of the powers conferred under Section-37 of the Real Estate (Regulation & Development) Act, 2016 with a view to enhance transparency and financial accountability in the real estate sector and protect the interests of the consumers, the Authority hereby directs that All Promoters/Developers of the real estate projects who have either registered their projects or applied for registration of their projects with the Real Estate Regulatory Authority (RERA), Bihar and have not submitted the statement of accounts of their projects for FY 2019-20 duly audited by the Chartered accountants in practice by 31st March 2021, a late fee charge of Rs 1000 per day will be levied for delay in submission of audited statement of accounts for each project henceforth. The audit report of the Chartered Accountants should also enclose a Verification report to the effect that the amount collected for a particular project and kept in a designated separate bank account have been utilized for the project and withdrawal has been in compliance with the proportion of the percentage of completion of the project.

2. Promoters/Developers of real estate projects who have either registered their projects or applied for registration of their projects with the Real Estate Regulatory Authority (RERA), Bihar, were also required to submit their audited annual accounts (Profit and Loss account, Balance Sheet, Cashflow, notes to account with all the schedules) of the company /firm/ organization /individual along with the Statutory Auditor's certificate for the financial year 2019-20 by 31st March 2021, as required under Direction no-1 of 2021 of the Authority. Those promoters who have not submitted their audited annual accounts for the financial year 2019-20 by 31st March 2021, they will be required to pay a late fee charge of Rs 5000 per week for delay in submission of their audited annual accounts henceforth.

By the Order of the Authority


Officer on Special Duty

Real Estate Regulatory Authority, Bihar

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