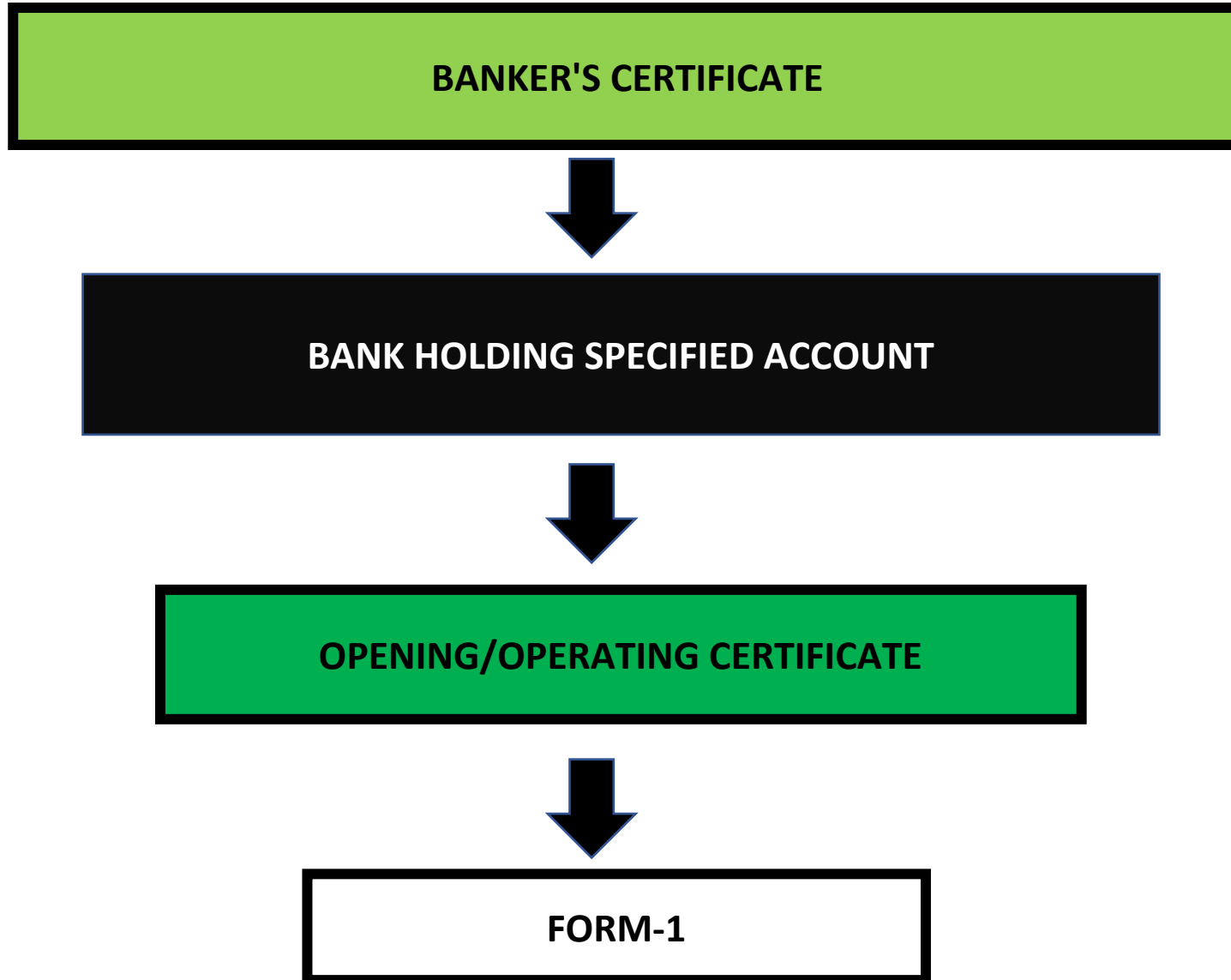


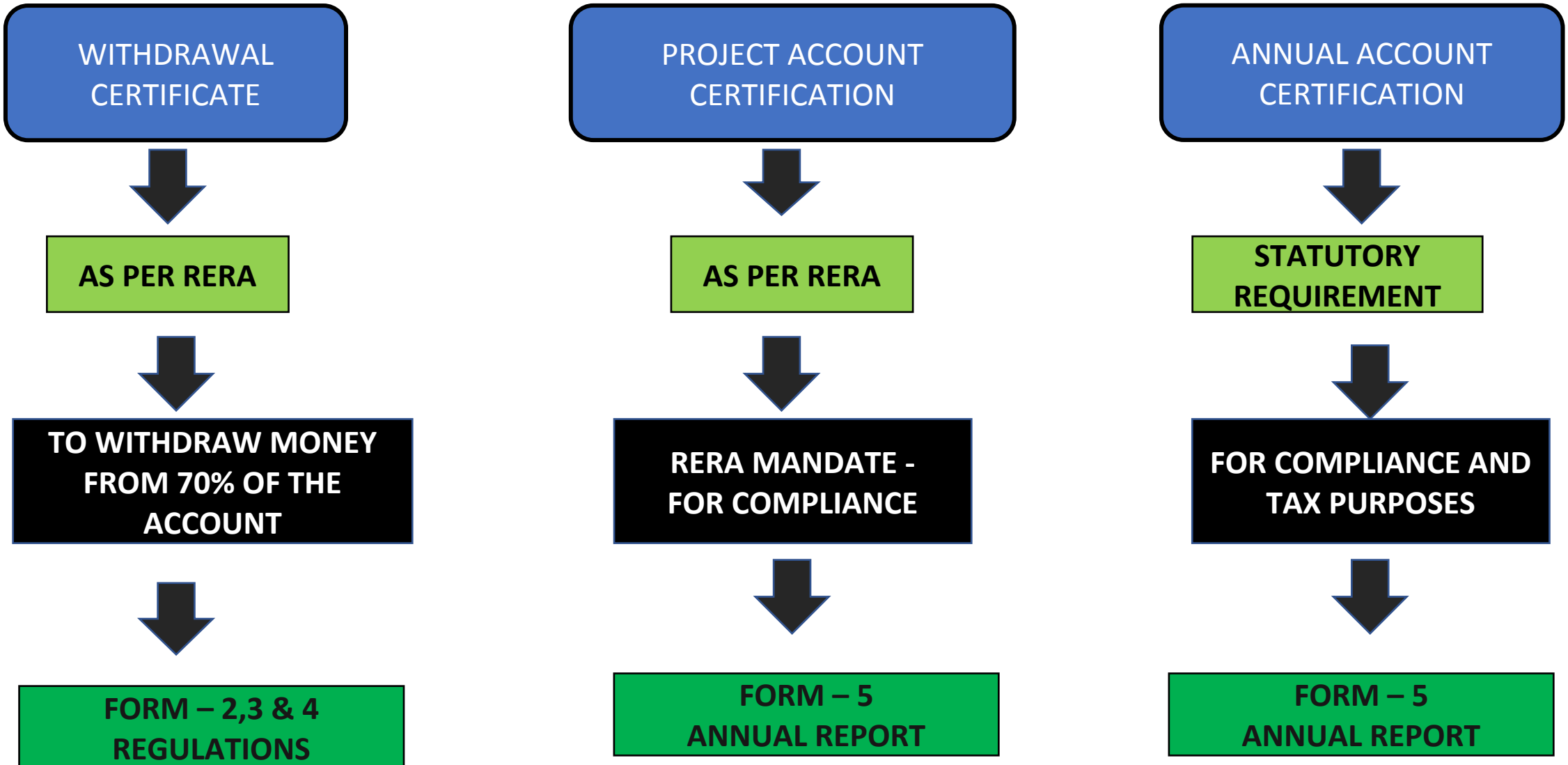
CERTIFICATION
REQUIREMENTS UNDER
RERA

- L VANCHEESWARAN ,
ADVOCATE & CONSULTANT

CERTIFICATION REQUIREMENTS- BEFORE REGISTRATION

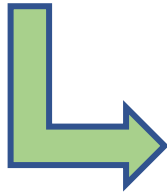


CERTIFICATION REQUIREMENTS- DURING EXECUTION

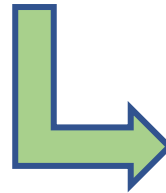


CERTIFICATION REQUIREMENTS- AFTER COMPLETION

ARCHITECT'S CERTIFICATE

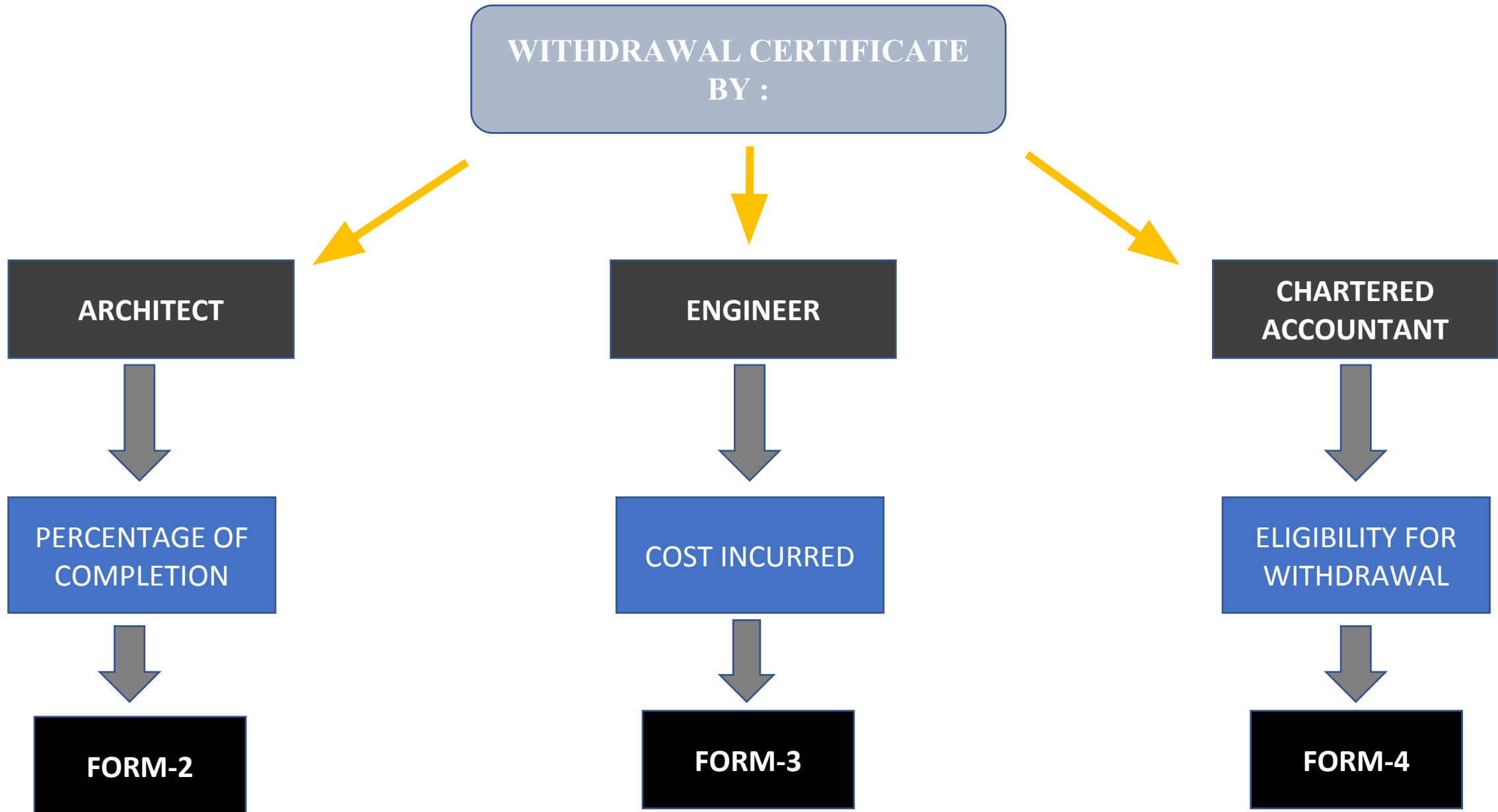


COMPLETION CERTIFICATE



FORM - 6

CERTIFICATION PROCESS:



- **The promoter shall withdraw the amounts from separate account, to cover the cost of the project, in proportion to the percentage of completion of the project.**

- **Withdrawal shall be based on certificates obtained from *an engineer, an architect and a chartered accountant in practice*. Provisions for Kerala real estate regulations act provides that with regard to the withdrawal of amounts deposited under sub-clause (D) of clause (l) of sub-section (2) of section 4, the following provisions shall apply :-**

- **FOR NEW PROJECTS WHICH WILL BE REGISTERED AFTER COMMENCEMENT.**

(a) The promoter shall observe the provisions under the sub-clause (D) of clause (I) of sub-section (2) of section 4 ;

(b) For the purpose of amount to be withdrawn from time to time by the promoter from the separate account in respect of each real estate project to cover the cost of the project, **the promoter shall submit** following three certificates **to the scheduled bank operating the separate account** :

(i) First, from the project architect certifying the percentage of completion of construction work of each of the building/wing of the project;

(ii) Second, a certificate from the engineer for the actual cost incurred on the construction work of each of the building/wing of the project; and

Certification by CA

(iii) Third, a certificate from a practicing chartered accountant (other than statutory auditor of promoter's enterprise), for the cost incurred on construction cost and land cost.

- The practicing chartered accountant shall also certify the proportion of the cost incurred on construction and land cost to the total estimated cost of the project.

- The total estimated cost of the project multiplied by such proportion shall determine the maximum amount which can be withdrawn by the promoter from the separate account.
- The promoter shall be required to follow the aforesaid procedure at the time of every withdrawal from the separate account till occupancy certificate in respect of the project is obtained.
- On receipt of completion certificate in respect of the project the entire balance amount lying in the separate account can be withdrawn by the promoter.
- **Kerala real estate regulatory authority (general) regulations, 2020**, provides that the certificates, issued by the project architect, project engineer, chartered accountant and submitted to the banks for getting release of money from the separate account shall be form 2, 3 and 4 respectively.
- The certificate issued by the project architect on completion of each of the building/wing of the real estate project shall be in form 6.

- **Kerala RERA (general) regulation, 2020 provides that the promoter shall additionally upload the following details on his webpage on the website of the authority:**

The annual report on statement of accounts, in Form 5 (issued in accordance with the third provision to section 4(2)(1) of the act) duly certified and signed by the chartered accountant who is the statutory auditor of the promoter's enterprise.

- If the Form 5 issued by the statutory auditor reveals that any certificate issued by the project architect, engineer or chartered accountant has false or incorrect information and the amounts collected for a particular project have not been utilized for the project and withdrawal has not been in compliance with the proportion of the percentage of completion of the project, the Authority, in addition to taking penal actions as contemplated in the Act and Rules, shall also take up the matter with the concerned regulatory body of the said professionals of the architect, engineer or chartered accountant for necessary penal action against them, including dismemberment.

ELIGIBILITY FOR WITHDRAWAL:

- ☐ TO CONSIDER ARCHITECT'S COMPLETION CERTIFICATE WITH REFERENCE TO QUANTITY.**
- ☐ TO CONSIDER COST CERTIFICATION AS AGAINST ESTIMATED COST.**
- ☐ COST INCURRED TO BE COMPARED WITH TOTAL ESTIMATE.**
- ☐ FINANCIAL FIGURES BASED ON BOOKS ARE TO BE ASSESSED.**
- ☐ LEAST OF THE ABOVE.**

PROJECT ACCOUNT ANNUAL CERTIFICATION

- Only specific project account to be audited.
- To certify whether withdrawals are based on completion certificates.
- Method adopted for certifying completion is in order or otherwise.
- Total receipts till date of certification.
- Total expenses till date of certification.
- Proportionate overheads (Basis of apportionment to be explained)
- Project completion status.
- Assessment of progress as against estimate and time span.
- Balance to finish cost.
- Balance receivable.
- Further time estimated for completion.
- To connect with statutory Audit figures - variations to be explained.

JOINT DEVELOPEMENTS

- **JV VS JD**
- **TYPES – BASED ON CONSIDERATION.**
- **JDA TO BE REGISTERED.**
- **LAND OWNER AS PROMOTER.**
- **JD AGREEMENTS, IT'S CONTENTS**
- **WHILE EXECUTING RERA AGREEMENT WITH ALLOTTEES, LAND OWNER PARTICIPATES ONLY IN RELATION TO LAND RELATED ITEMS/CLAUSES.**

HOW TO CERTIFY VALUE TO BE REALISED?

(with special focus on JDA)

- Estimated sale value of developer's share of saleable area + cost of construction of unsold area allocable to land owner will have to be taken by the CA for certifying value to be realised by the developer. If Land owner's share are either sold fully or taken over by him before the appointed date, then value realisable on unsold area of developer alone will have to be considered. Connection between Developer's revenue recognition norms and the amount to be arrived at.

A large, solid blue speech bubble is centered on a white background. The bubble has a rounded, oval shape with a small tail pointing downwards and to the left. Inside the bubble, the words "THANK YOU!!!", are written in a white, bold, serif font.

THANK YOU!!!