



## **KERALA REAL ESTATE REGULATORY AUTHORITY**

**Trinity Centre, Opposite Chaithanya Eye Hospital,  
Kesavadasapuram, Thiruvananthapuram. Pin- 695 004**

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Phone: 94976 80600

Present: Dr. B Sandhya Member

**Suo Moto Complaint No. T1/2016/2024/K-RERA**

Dated 4<sup>th</sup> September, 2024.

- Respondents: 1. M/s. Realine Properties Pvt Ltd,  
3<sup>rd</sup> Floor, M.V.P.P Building,  
Kesavadasapuram, Pattom. PO,  
Thiruvananthapuram,  
Kerala -695 004.
2. Smt. Jiji Vijayan,  
Managing Director,  
M/s. Realine Properties Pvt Ltd,  
12A, Heera Haven, Akkulam Road,  
Medical College.PO,  
Thiruvananthapuram,  
Kerala- 695 011.

### **ORDER**

1. The Respondents herein had submitted an application on 11.11.2022 before the Authority, as promoters to register the real estate project named "Green City" located at Pantheerankavu in Perumanna Grama Panchayath in Kozhikode District and while proceeding with the scrutiny of the said application, the Respondents filed an affidavit on 17.01.2024 stating that they are withdrawing the application for registration due to some technical reasons and disagreements

with landowners. The Respondents/promoter also affirmed there in that they had neither made any sales nor collected any money on behalf of the project. Accordingly, the Authority approved the application for withdrawal and issued an order on 19.04.2024 as No. T1/OL/249/2022 (Exhibit A1) with a specific direction that the promoter shall not advertise, market or initiate the sale of the project, without registering it as mandated under Section 3 of the Real Estate (Regulation and Development) Act, 2016. [ Hereinafter referred to as 'the Act, 2016' ].

2. Now the Authority found that violating the above order, the Respondents/promoters have been marketing the real estate project through social media like Facebook with the same name, "Green City" comprising of villas located at Pantheerankavu in Perumanna Grama Panchayath in Kozhikode district without registering it as per Section 3 of the Act, 2016. Accordingly, a notice dated 31.07.2024 was issued to them for a hearing before initiating the penal proceedings under Section 59(1) of the Act, 2016 for violating Section 3 of the Act, 2016 despite the order of the Authority. In the hearing held on 16.08.2024, Adv. Serji Joseph Thomas appeared in person on behalf of the Respondents / promoters. The counsel has submitted a reply statement from the part of the Respondents / Promoters in which it is stated as follows;

- i. In 2022, the company and its shareholders decided to pool funds to purchase property in Kozhikode city for a housing project. They identified 5 hectares 23.9508 ares from M/s Fairline Developers LLP and 1 hectare 69.6821 ares from M/s Whiteland Developers LLP in Perumanna Village, on the outskirts of Kozhikode City, for this purpose. The company and its shareholders jointly paid an advance to M/s Fairline Developers LLP and M/s Whiteland Developers LLP for the purchase of properties. To manage roads and common amenities, they formed the "Lifeline Green City Trust" by registering Trust Deed No. 201/4/2023 in Ernakulam SRO. The Trust was

created to manage common areas in Lifeline Green City, Perumanna Village. Subsequently, the Trust purchased 1 hectare 71.5949 ares from M/s. Fairline Developers LLP and 32.3995 ares from M/s Whiteland Developers LLP for common areas in the proposed township. The company and its shareholders purchased properties by paying the full sale consideration through various sale deeds. The company acquired eight plots, while shareholders bought individual plots in their names. M/s Malabar Hill Palace Pvt. Ltd. purchased 51.7148 ares for an apartment complex, and M/s Malabar Signature Inn Pvt. Ltd. acquired 95.267 ares for a hotel project. Both companies are shareholders in the company. No third-party offers or advertisements were made for the land purchases.

- ii. The company and its shareholders have not promoted, advertised, or offered any plots, apartments, or buildings for sale in the proposed project. However, as a precaution, the company applied for project registration with the Authority on 16/11/2022 (File No. T1/OL/249/2022) and paid the required fees. Due to delays in obtaining the Development Plan, the project was cancelled, and the Authority refunded Rs. 5,12,399/- after deducting processing fees. The company and its shareholders now plan to apply for fresh RERA registration at the appropriate time.
- iii. They also affirmed that the project is still in the proposal stage and has not yet materialized. A video related to the project, containing a misspelling of "preview" as "perview," was created. However, this video was not intended for advertisement, distribution, or promotion, as the company and its shareholders understand that promotion can only occur after the project's registration with the Authority.

3. The Authority reaffirmed during the hearing that the above-said advertisement was still active on social media and their website (under the **URL ids** “<https://www.facebook.com/profile.php?id=61556896323033&sk=videos>”, “[facebook.com/61556896323033/videos/4312396975660013](https://www.facebook.com/61556896323033/videos/4312396975660013)”, “<https://www.realineproperties.com>”), claiming it as a Rs. 2,000 Crore project with premium facilities as on 16.08.2024 at 12.15 PM while the hearing was going on, through which the Respondents/promoters offered flats and villas in the proposed township with attractive facilities. (The advertisement added as Exhibit A2(ii) shows “കേരളത്തിലെ ഏറ്റവും വലിയ ടൗൺഷിപ്പ് പ്രോജക്ടിൽ ഒരു വില്ലയോ അപ്പാർട്ട്മെന്റോ നിങ്ങൾക്ക് സ്വന്തമാക്കണോ!?... The counsel argued that M/s. Realine Properties Pvt Ltd is a company which is not doing any real estate promotion or project but 118 members of the company purchased plots from a vendor company. The Authority perused the documents and found that one of the vendors is M/s. Realine Greencity Trust. Through a perusal of records submitted by the Respondent and through the websites of these companies, (Exhibit A3 from the website of the Registrar of Companies - <https://www.mca.gov.in>) it is confirmed that M/s. Realine Properties Pvt Ltd and M/s. Lifeline Greencity Trust are different entities registered by the same group of people. The Counsel argued that they have common roads but as the individuals have purchased, so it cannot be classified as a real estate project which is an unsustainable argument as they have obtained a development permit from the Grama Panchayath. It was also argued that the Facebook advertisement was only a preview that was leaked and now the advertisement has been deleted. This contention is not sustainable because the advertisement is still active on the hearing day and they are soliciting the general public through the Facebook page as of now. (Exhibit A2). While

soliciting they also mentioned that as RERA Registration is not done, the price is less. This tantamounts to misleading the public that RERA registration causes extra burden to the buyers. Moreover, M/s. Realine Properties Pvt Ltd had earlier applied for the registration of the project "Greencity" which was later withdrawn by them on the grounds of technical reasons and disagreement with the project's landowners. While applying for the project registration, the respondents had submitted the Development Permit No. A3-BA (172415)/2022 dated 25.05.2022 issued from the Perumanna Grama Panchayath, Basic Tax Receipts under the Thandapper Nos. 14170, 14169, 14171 dated 21.05.2022, 21.05.2022 and 28.05.2022 respectively received from the Perumanna Grama Panchayath.

4. Section 2(zk) of the Act, 2016 defines the 'promoter' as follows. (i) a person who constructs or causes to be constructed an independent building or a building consisting of apartments, or converts an existing building or a part thereof into apartments, for the purpose of selling all or some of the apartments to other persons and includes his assignees or (ii) a person who develops land into a project, whether or not the person also constructs structures on any of the plots, for the purpose of selling to other persons all or some of the plots in the said project, whether with or without structures thereon or (v) any other person who acts himself as a builder, coloniser, contractor, developer, estate developer or by any other name or claims to be acting as the holder of a power of attorney from the owner of the land on which the building or apartment is constructed or plot is developed for sale or (vi) such other person who constructs any building or apartment for sale to the public. (*Subclauses (iii) and (iv) are omitted as not relevant here*).

5. In all the digital advertisements, the Respondents M/s. Realine Properties Pvt Ltd is the promoter of the villas, apartments and five star hotels. Their services are extended to real estate, construction, hospitality, building materials and building environments. In the affidavit, the promoter affirmed that the company and its shareholders have now decided to apply for RERA registration for the project. From this, it is evident that the Respondent was well aware that the project they are now advertising is registrable under Section 3 of the Act, 2016.
6. Section 3(1) of the Act, 2016 says that no promoter shall advertise, market, book, sell 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. The Respondent/promoter also violated the specific direction contained in the order No. T1/OL/249/2022, dated 19.04.2024 that the promoter shall not advertise, market, or initiate the sale of the above-named project without registering the project as mandated under Section 3(1) of the Act, 2016.
7. The details of the advertisement on the website show that the project promoted by the Respondent/ promoter involved a total cost of Rs. 2,000 Crores which extends to 23 Acres of land. As per the basic Tax Receipts, 732.79 Ares of land extends to the following survey numbers of the Perumanna village. (Survey Numbers: 114/42, 114/43, 114/45, 114/56, 67/52, 67/54, 114/41, 110/80, 114/47, 114/48, 114/49, 114/50, 114/51, 114/52, 114/57, 114/58, 128/103, 67/53). The lowest fair value of the land in the area is Rs. 52,800/- per Ares of land. The total cost of the land of the project for 732.79 Ares is Rs. 3,86,91,312/-. The average estimated cost of a villa is calculated as Rs.90,00,000/-. As per the advertisement,

the number of total villas is 115. The promoter has advertised that the villa building area ranges from 2000 to 4000 sq. ft. The estimated cost of a villa is calculated based on the market rate for constructing a premium luxury villa, which is Rs. 4,500 per sq. ft. Accordingly, the Authority has calculated the estimated rough cost of a villa (2000 sq. ft. × Rs. 4,500) as Rs. 90,00,000/-. As per the advertisement, the total number of villas is 115. Hence, the total estimated cost of the villas is Rs. 1,03,50,00,000/- (Rupees One hundred three crores and fifty lakhs only). The total cost of the project, as per a rough estimate of this Authority would amount to Rs. 107,36,91,312 /-. The Authority found beyond doubt that the Respondent / promoter has violated the statutory provision contained in Section 3 of the Act, 2016 and the order of the Authority dated 19.04.2024. Section 59(1) of the Act, 2016 mandates that if any promoter contravenes the provisions of Section 3, he shall be liable to a penalty that may extend up to ten per cent of the estimated cost of the project as determined by the Authority.

8. In the above circumstances, the Authority in the exercise of powers conferred under Section 59(1) of the Act, 2016 hereby imposes a penalty of Rs. 1,00,00,000/- (Rupees One Crore only) being the 0.93% of the total estimated cost of the project, for the violations committed by the Respondent/promoter M/s. Realine Properties Pvt Ltd and also hereby directs to register the project within 30 days from the date of receipt of this order. The penalty shall be remitted in the form of a demand draft drawn in favour of the Kerala Real Estate Regulatory Authority payable at Thiruvananthapuram within 30 days from the date of this order.

9. The Authority hereby requests the Secretary Perumanna Grama Panchayath, Kozhikkode District to issue a stop memo to stop all construction in the above-proposed township in the light of the violation of the Real Estate (Regulation and Development) Act, 2016. The Authority further requests the District Registrar, Kozhikkode to stop the execution of agreements and sales deeds in respect of the above project.

Sd/-  
Dr. B Sandhya  
Member

True copy/Forwarded by/Order

Secretary (Technical and Administration)



Exhibit A1: Order of the Authority No. T1/OL/249/2022 dated 19.04.2022.

Exhibit A2 (i) to (ix): The printouts of the advertisements. URLs-

“<https://www.facebook.com/profile.php?id=61556896323033&sk=videos>”

“[facebook.com/61556896323033/videos/4312396975660013](https://www.facebook.com/61556896323033/videos/4312396975660013)”,

“<https://www.realineproperties.com>”

Exhibit A3: Company incorporation details from the Registrar of Companies  
(URL- <https://www.mca.gov.in>)

Copy to: 1. The District Registrar, Kozhikkode, Kerala. (For necessary action and report).

2. The Secretary Perumanna Grama Panchayath. (For necessary action and report)