



**BEFORE THE TAMIL NADU REAL ESTATE
REGULATORY AUTHORITY (TNRERA)
(Tamil Nadu, Andaman & Nicobar Islands)
at Anna Nagar (East), Chennai – 600 102
[Under the Real Estate (Regulation and Development) Act, 2016]**

**Coram : Thiru Shiv Das Meena, I.A.S (Retd.), Hon'ble Chairperson
Dr.L. Subramanian, I.A.S. (Retd.), Hon'ble Member
Adv. M.Krishnamoorthy, Hon'ble Member**

I.A. 50 of 2022

in

**C. Nos. 3 to 27, 37 to 60, 70 to 96, 103 to 127, 146 to 152,
201 & 268 of 2021**

25th day of May, 2026

Tvl. G. Sathya & 110 others

... Complainants

Versus

Ozone Projects Private Limited

...Respondent

The Interlocutory application was filed to appoint an authorized person as an "Appointment of Receiver" for realization of the unsold flats in the Respondent's project.

INTERIM ORDER

Averments of the Complainants:

1. The Complainants are homebuyers in the project "Metrozone", an under-construction project developed by the Respondent. Owing to persistent delays and failure on the part of the Respondent to complete

and hand over the apartments as committed, this Authority appointed a Monitoring Committee to review the status of the project on a monthly basis in order to safeguard the interests of the homebuyers.

2. In the review meeting dated 15.07.2022, this Authority directed the Respondent to file an affidavit detailing a concrete action plan for completion of the project within the timeline stipulated under the Memorandum of Understanding (MoU), to execute and register the pending undivided share (UDS) of land on or before 29.07.2022, and to infuse additional funds to expedite completion.

3. The Respondent thereafter filed an affidavit dated 06.09.2022 attributing the delay to alleged non-mobilization of funds by the homebuyers. The Complainants contend that the delay is attributable to the Respondent's financial mismanagement. It is submitted that the Respondent has sold 1,228 units in Phases I, II and III and most of the units in Phase IV, and has collected approximately Rs.2,500 crore as sale proceeds. In addition, the Respondent has reportedly raised borrowings to the extent of Rs.2,600 crore against the project. Despite such substantial collections and borrowings, the project remains incomplete. The Complainants allege that the Respondent unilaterally divided the project into phases and relegated Phase IV to the last stage of completion.

4. In view of the precarious financial condition of the Respondent and pendency of proceedings, including before the National Company Law Tribunal, the homebuyers in order to secure their apartments, entered into a MoU dated 01.03.2022 with the Respondent. Under the MoU, the association of homebuyers agreed, on a best-efforts basis to

mobilize advance payments in six installments, subject to the express condition that such arrangement would not absolve the Respondent of its obligation to complete and hand over the project. The Respondent undertook that funds collected, up to Rs. 55 crore or the actual funds required (whichever is higher), would be deposited in the escrow account and utilised on priority for completion of Phase IV and also agreed to make good any shortfall.

5. The Complainants submitted that the Respondent failed to honour their commitments under the MoU. In the meeting dated 26.05.2022, the Respondent agreed to bear 25% of expenses for June and July 2022, 50% for August 2022 and 100% from September 2022 onwards. However, the said commitments were not fulfilled. The Respondent filed an affidavit dated 16.08.2022 in which they estimated that Rs.40.37 crore would be required for completion of the project, whereas the Project Management Consultant assessed the funds requirement to complete the project as approximately Rs. 69 crore. The Complainants state that they have mobilised about Rs.15 crore, whereas the Respondent has contributed materials allegedly valued at about Rs.4.7 crore.

6. The Complainants submit that despite having paid up to 95% of the sale consideration in most cases and having extended cooperation at all stages, the Respondent has repeatedly failed to adhere to their obligations. The Respondent unilaterally revised the handing over timeline from November 2022 (as per the MoU) to February 2023. However, even the revised timeline appeared unachievable in view of the incomplete status of the units and the

substantial works pending, including prerequisites for obtaining the Completion Certificate.

7. In the review meeting dated 27.10.2022, this Hon'ble Authority again directed the Respondent to submit an affidavit detailing the plan for mobilisation of funds, registration of UDS and timeline for completion of the project. The Complainants submitted that no satisfactory compliance has been made till date.

8. It is further submitted that as per the Respondent's own statement, out of 329 units in Phase IV, 259 units have been sold and 60 units (measuring approximately 1,26,045 sq. ft.) remain unsold, apart from 10 guest suites. In view of the Respondent's inability to mobilize sufficient funds, the Complainants contend that monetization of the unsold inventory is necessary for completion of the project. Reliance is placed on instances where sale of unsold inventory was facilitated by regulatory and judicial authorities to ensure project completion.

9. In the above circumstances, the Complainants submit that appointment of a Receiver by this Authority to effectuate the sale of the unsold inventory, with a direction that the realizations be utilized on priority for completion of Phase IV, is necessary to secure the interests of the homebuyers and to ensure completion of the project within a stipulated timeframe.

Averments of the Respondent:

10. The Respondent has denied all the allegations made in the affidavit filed in I.A. No. 50 of 2022, except those specifically admitted.

11. It is the contention of the Respondent that the application seeking appointment of a Receiver is unwarranted, as the Hon'ble Regulatory Authority has already appointed a Monitoring Committee to review the status of the project on a monthly basis. According to the Respondent, any further appointment would only delay the completion process and cause hardship.

12. The Respondent submits that the project is under continuous supervision of the Authority and that regular progress reports are being filed. It is further stated that the Respondent has already contributed a sum of Rs. 9.38 crore, representing 20% of the total construction cost of Rs. 46.40 crore required to complete the project. The balance sum of Rs. 24.52 crore required for completion is proposed to be mobilized from receivables at 95% of the 265 sold units.

13. The Respondent further submits that steps have been initiated to expedite collections, cancel defaulted units and re-sell such units and deposit receivables into a no-lien account exclusively for construction purposes. The allegation regarding 60 unsold units is denied, stating that such units are mortgaged and not available for sale.

14. The Respondent also contends that a revised completion schedule was submitted on 11.11.2022, fixing the date of completion of the project by June 2023, as mutually agreed with the Association of allottees, and that periodical progress reports have been placed on record. The Respondent prays to dismiss the interlocutory application.

15. Upon perusal of the documents and hearing both the parties, the Authority finds no provision under the Real Estate (Regulation and Development) Act, 2016 to appoint a receiver to address the relief

sought in the interlocutory application. Therefore, the interlocutory application is dismissed with no cost.

16. The Authority directs the Respondent promoter to file the status report of the construction of the project specifically Phase IV and the encumbrance certificate for the unsold inventories in the project. Further, the Respondent Promoter is directed to file an updated Quarterly progress report on the next hearing date.

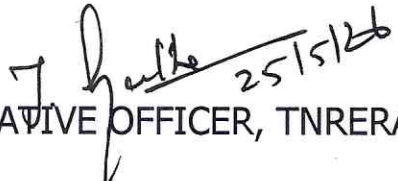
Hence, C.Nos.3 to 27, 37 to 60, 70 to 96, 103 to 127, 146 to 152, 201 & 268 of 2021 is posted for next hearing on 22.06.2026.

Sd/-...25.05.2026
MEMBER (K), TNRERA

Sd/-...25.05.2026
MEMBER (LS), TNRERA

Sd/-....25.05.2026
CHAIRPERSON, TNRERA

/TRUE COPY/


ADMINISTRATIVE OFFICER, TNRERA