

**IN THE SUPREME COURT OF INDIA  
INHERENT JURISDICTION**

**CONTEMPT PETITION (CIVIL) NO. 1250 OF 2023**  
**IN**  
**CIVIL APPEAL NO. 7534 OF 2021**

**GAURAV MUNJAL AND OTHERS ... PETITIONER(S)**

**VERSUS**

**KASHI NATH SHUKLA AND ANOTHER ... ALLEGED CONTEMNOR(S)/  
RESPONDENT(S)**

**WITH**

**MISCELLANEOUS APPLICATION NO. 567 OF 2025**  
**IN**  
**CIVIL APPEAL NO. 7534 OF 2021**

**CIVIL APPEAL DIARY NO. 137 OF 2024**

**AND**

**MISCELLANEOUS APPLICATION DIARY NO. 22731 OF 2025**  
**IN**  
**CIVIL APPEAL NO. 7534 OF 2021**

**ORDER**

**PRASHANT KUMAR MISHRA, J.**

1. Heard.
2. This Court, *vide* order dated 27.04.2022 in Civil Appeal No. 7534 of 2021, had permitted the Promoter of Soni Infratech Private Limited<sup>1</sup>, namely

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<sup>1</sup> Respondent No. 2 in the Contempt Petition

Kashi Nath Shukla<sup>2</sup>, to complete the housing project of Respondent No. 2, which had become subject matter of proceedings under the Insolvency and Bankruptcy Code, 2016<sup>3</sup>. The issue before this Court pertained to completion of the stalled housing project and protection of the interests of the homebuyers, including those seeking possession of flats as well as refund of the amounts deposited by them.

**3.** During the course of the proceedings, various settlement proposals and revised resolution plans came to be placed on record before the National Company Law Appellate Tribunal<sup>4</sup> and this Court. Pursuant to the directions of the NCLAT, a stakeholders' meeting dated 23.10.2021 was convened involving representatives of the homebuyers, financial creditors, the Insolvency Resolution Professional<sup>5</sup> and Respondent No. 1, wherein concerns raised by the homebuyers and the manner of completion of the project were deliberated upon and that Respondent No. 1 had agreed to incorporate the suggestions and objections of the homebuyers in the modified resolution plan.

**4.** Despite the aforesaid developments, the NCLAT, by order dated 22.11.2021, rejected the modification application and directed continuation of CIRP. The said order was challenged before this Court in Civil Appeal No. 7534 of 2021. During the pendency of the Civil Appeal, Respondent No. 1, Promoter of Respondent No. 2, thereafter, filed an affidavit dated 27.12.2021 before this Court setting out the manner and timelines within which the

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<sup>2</sup> Respondent No. 1 in the Contempt Petition

<sup>3</sup> For short 'IBC'

<sup>4</sup> For short 'NCLAT'

<sup>5</sup> For short 'IRP'

project would be completed. In the said affidavit, undertakings were furnished to complete the project in a phased manner within stipulated timelines; to immediately restart construction after arranging funds to the extent of Rs. 10 crores; not to escalate the cost of flats and to honour the Builder Buyer Agreements executed earlier; and to refund amounts to those homebuyers seeking exit from the project. Respondent No. 1 further agreed to incorporation of the concerns raised by the homebuyers and to monitoring of the project under the supervision of the IRP.

**5.** Taking into consideration the settlement deliberations, the undertaking furnished by Respondent No. 1 and the larger interest of the homebuyers, this Court, while setting aside the order of the NCLAT dated 22.11.2021, allowed the Civil Appeal and permitted Respondent No. 1 to complete the project in accordance with the minutes of meeting dated 23.10.2021 and the affidavit-cum-undertaking dated 27.12.2021, which was specifically directed to be treated as an undertaking given to this Court. This Court also directed the IRP to submit quarterly progress reports before the NCLAT regarding the status of the project.

**6.** Notably, the present Contempt Petition has been instituted by seven homebuyers, who were arrayed as Respondent Nos. 3 to 9 in the aforesaid Civil Appeal and who claim to represent approximately 180 homebuyers, alleging wilful disobedience and deliberate non-compliance with the directions issued by this Court *vide* order dated 27.04.2022 as well as breach of the undertakings dated 27.12.2021 furnished before this Court by the Respondents.

7. Inasmuch as the allegations in the present Contempt Petition relate to breach of the undertakings furnished before this Court and non-compliance with the directions issued *vide* order dated 27.04.2022, the relevant aspects of the affidavit dated 27.12.2021 filed by Respondent No. 1 as well as the operative directions issued by this Court are reproduced hereunder for ready reference:

“21. Taking into consideration the facts and circumstances of the present case, we find that it will be in the interest of the homebuyers if the appellant/promoter is permitted to complete the housing project. The salient features of the undertaking given on affidavit are as under:

21.1. That the project will be completed stage-wise within a period of 6 months to 15 months (+/- 3 months) in a phased manner.

21.2. That the promoter has arranged an amount of Rs 10 crores to start the project immediately without any delay and that he will ensure that the project would be started within 15-30 days.

21.3. That the cost of the flat will not be escalated and that the promoter is agreeable to honour the BBA signed by the previous management.

21.4. That SBI Cap Ventures Ltd. has already shown interest for further loan of Rs 100 crores.

21.5. That the promoter has given his consent to make a team of 5 persons, 2 from homebuyer's side and 2 from the management side and that the entire process will be monitored by the IRP.

22. Taking into consideration the salient features of the undertaking given on affidavit by the promoter, Shri Kashi Nath Shukla and the fact that there are only seven out of the 452 homebuyers, who opposed the settlement plan, we find that it will rather be in the interest of the homebuyers that the appellant/promoter is permitted to complete the project as undertaken by him. It is pertinent to note that he has agreed that the cost of the flat will not be escalated. He has also given the timeline within which the project would be completed. Not only this, but he has also undertaken to refund the amount paid by the seven objectors, if they so desire. He has further agreed that there shall be a team of 5 persons, 2 from the homebuyer's side and 2 from the management side and that the entire process shall be monitored by the IRP.

23. We find that there is every possibility that if the CIRP is permitted, the cost that the homebuyers will have to pay,

would be much higher, inasmuch as the offer made by the resolution applicants could be after taking into consideration the price of escalation, etc. As against this, the promoter has filed a specific undertaking specifying therein that the cost of the flat would not be escalated and that he would honour the BBA signed by the previous management.

24. In that view of the matter, we are inclined to allow the present appeal. Accordingly, we pass the following order:

24.1. The appeal is allowed. The impugned order dated 22-11-2021 passed by the National Company Law Appellate Tribunal, Principal Bench, New Delhi in Anand Murti v. Soni Infratech (P) Ltd. [Anand Murti v. Soni Infratech (P) Ltd., 2021 SCC OnLine NCLAT 468] is quashed and set aside.

24.2. The affidavit dated 27-12-2021 filed by Shri Kashi Nath Shukla, the promoter of Respondent 1 — corporate debtor is taken on record and treated to be an undertaking given to this Court.

24.3. The appellant/promoter is permitted to complete the project as per the deliberations that took place in the Minutes of the Meeting dated 23-10-2021 and in accordance with the affidavit-cum-undertaking dated 27-12-2021 of the promoter, Shri Kashi Nath Shukla.

24.4. ...

24.5. From the date of this order, the IRP shall submit quarterly reports to the National Company Law Appellate Tribunal, Principal Bench, New Delhi with regard to the progress of the housing project.”

**8.** The case of the petitioners in the present contempt proceedings is that despite the undertakings furnished before this Court and the directions contained in the order dated 27.04.2022, the alleged Contemnors/Respondents failed to complete the project within the stipulated timelines and repeatedly extended the proposed dates of completion. It has been alleged that the alleged Contemnors/Respondents failed to secure the proposed funding for the project; did not constitute the agreed monitoring and escrow mechanism; raised additional monetary demands upon the homebuyers despite the undertaking to honour the existing Builder Buyer Agreements without escalation; and failed to maintain transparency with

regard to infusion and utilization of project funds. The petitioners have further alleged that notwithstanding repeated assurances regarding completion of Stage-I and offer of possession, substantial works continued to remain incomplete. According to the petitioners, the aforesaid acts constitute wilful disobedience of the undertakings furnished before this Court and deliberate non-compliance with the order dated 27.04.2022.

**9.** The present Contempt Petition came to be listed before this Court on 28.11.2023, whereupon notice was issued to the alleged Contemnors/Respondents. Thereafter, upon consideration of the material placed on record and the rival submissions advanced by the parties, this Court, vide order dated 20.08.2024, recorded a *prima facie* opinion that alleged Contemnor No.1/Respondent No.1, namely Kashi Nath Shukla, had committed contempt of the order dated 27.04.2022 passed by this Court. This Court specifically observed that it could have directed the personal appearance of alleged Contemnor No.1/Respondent No. 1 and issued notice calling upon him to show cause as to why action for contempt should not be initiated against him; however, taking into consideration the larger interest of the homebuyers and completion of the project, this Court deferred coercive action at that stage.

**10.** During the course of the hearing, it was submitted on behalf of the alleged Contemnors/Respondents that the project could not be completed within the timeline solemnly undertaken before this Court on account of failure on the part of the petitioners to furnish letters of authority required for availing financial assistance for completion of the project. On the other hand,

the petitioners expressed apprehension that the alleged Contemnors/Respondents intended to mortgage the flats allotted to the homebuyers and thereby jeopardize their interests. Recording the specific statement made on behalf of the alleged Contemnors/Respondents that the flats allotted to the petitioners would neither be mortgaged nor subjected to any encumbrance, this Court directed the petitioners to hand over letters of authority in favour of the alleged Contemnor No.1/Respondent No. 1 within seven days. This Court further directed the alleged Contemnor No.1/Respondent No.1 to file a fresh undertaking to complete the project within a further period of six months and categorically observed that failure to complete the project and hand over possession within the said period could amount to an aggravated contempt of Court.

**11.** Having considered the rival submissions and the subsequent developments placed on record, we are presently not passing any final order in exercise of contempt jurisdiction against the alleged Contemnors/Respondents. However, the same should not be construed as an expression of opinion by this Court on the merits of the allegations levelled in the present Contempt Petition or as a finding that the alleged Contemnors/Respondents have not committed breach of the undertakings furnished before this Court and the directions contained in the order dated 27.04.2022.

**12.** In the peculiar facts and circumstances of the present case, we are of the considered view that the larger interest of the homebuyers would be subserved if all possible steps are taken towards completion of the project and

handing over possession of flats to the allottees, rather than precipitating further adversarial proceedings at this stage. The object of the present proceedings, in the peculiar facts of the case, cannot be merely punitive if the possibility of securing completion of the project and protecting the interests of the homebuyers still survives. The record would indicate that *vide* order dated 20.08.2024, this Court had taken note of the specific stand of the alleged Contemnors/Respondents that the project could not be completed within the stipulated timeline on account of failure on the part of the petitioners who represent 180 homebuyers to furnish letters of authority required for availing financial assistance for completion of the project. Taking note of the said submission, this Court had directed the petitioners to hand over letters of authority in favor of the alleged Contemnor No.1/Respondent No. 1.

**13.** It is further to be noted that the present contempt petition has been instituted by seven petitioners, who claim to represent approximately 180 homebuyers. In our considered view, the petitioners, merely by asserting a representative capacity, cannot assume unto themselves the authority to furnish letters of authority on behalf of all the homebuyers concerned. If the alleged Contemnors/Respondents are required to avail financial assistance for completion of the project on the strength of such authorizations, effective compliance with the order dated 20.08.2024 passed by this Court would necessarily require furnishing of letters of authority by the concerned homebuyers themselves.

**14.** It is also pertinent to note that, on 29.04.2026, when this matter was reserved for orders, certain issues concerning access and functioning at the project site were brought to the notice of this Court. A homebuyer appearing before this Court submitted that despite issuance of an offer of possession in respect of his allotted flat, he was allegedly prevented from accessing the premises. The IRP also informed this Court that he was not permitted to visit the project site. The aforesaid circumstances further indicate that various issues concerning the project continue to subsist and would require continued monitoring by this Court in the interest of all stakeholders.

**15.** We are, therefore, of the view that further directions are required to be issued to ensure effective compliance with the order dated 27.04.2022 as well as the order dated 20.08.2024 passed by this Court. Accordingly, and without prejudice to further consideration of the contempt proceedings, all the homebuyers represented by the present petitioners shall furnish or hand over their respective letters of authority in favour of the alleged Contemnor No.1/Respondent No.1 on or before **10.07.2026** for the purpose of enabling them to avail financial assistance towards completion of the project. We expect due and complete compliance with the present directions within the aforesaid period.

**16.** List the matters on **15.07.2026** for reporting compliance with the aforesaid directions.

**17.** Upon consideration of the status of compliance and progress of the project, further orders with regard to completion of the project, handing over possession to the homebuyers and punishing the contemnor(s) shall thereafter be considered.

.....**J.**  
**(PRASHANT KUMAR MISHRA)**

.....**J.**  
**(N.V. ANJARIA)**

**NEW DELHI;**  
**MAY 22, 2026**