IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO.....OF 2026
(@ SLP (CIVIL) NO.22599 OF 2026)

KANPUR DEVELOPMENT AUTHORITY **...APPELLANT(S)**

VERSUS

B.N. TRIPATHI & ORS. **...RESPONDENT(S)**

WITH

CIVIL APPEAL NO.....OF 2026
(@ SLP (CIVIL) NO.22644 OF 2026)

O R D E R

1. Leave granted.
2. The present appeals arise from the judgment and order dated 09.04.2026 passed by the High Court of Judicature at Allahabad (hereinafter referred to as the "High Court") in First Appeal No. 10 of 2022, whereby the High Court allowed the appeal preferred by the original plaintiffs and set aside the judgment and decree dated 20.04.2016 passed by the Trial Court in Original Suit No. 243 of 2009. The said suit had been instituted seeking, inter alia, a decree of mandatory injunction for delivery of possession of Plot No. 56, Block-A, Scheme No. 39, Jajmau, Kanpur, along with damages and other consequential reliefs.

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Date: 2026.11.21 12:38:21 IST
Reason:

Aggrieved by the judgment of the High Court, the Kanpur Development Authority (hereinafter referred to as the "KDA") and the State of Uttar Pradesh have preferred the present appeals.

3. The facts giving rise to the present appeals are as follows:

3.1. The dispute concerns Plot No. 56, Block-A, Scheme No. 39, Jajmau, Kanpur, admeasuring 2,222 square yards (hereinafter referred to as the "disputed plot"). The said plot was allotted to respondent No. 1, B.N. Tripathi, pursuant to an auction conducted in the year 1967. Subsequently, a registered lease deed dated 03.12.1984 was executed by the KDA in favour of respondent No. 1 and his wife, Smt. Yugrani Devi, for a period of 999 years.

3.2. A dispute arose between the parties regarding delivery of physical possession of the disputed plot. The original plaintiffs claimed that despite execution of the lease deed and repeated requests, possession was never handed over to them. The KDA, however, maintained that possession had already been delivered. The parties had also been involved in earlier civil proceedings concerning the demand of interest and sanction of the building plan.

3.3. The original plaintiffs thereafter instituted Original Suit No. 243 of 2009 seeking mandatory injunction for delivery of possession and damages of Rs.

41,16,800/- with interest. By judgment and decree dated 20.04.2016, the Trial Court dismissed the suit, holding that the plaintiffs had failed to establish their case regarding non-delivery of possession.

3.4. Aggrieved thereby, the plaintiffs preferred First Appeal No. 10 of 2022 before the High Court. By the impugned judgment dated 09.04.2026, the High Court reversed the findings of the Trial Court and directed delivery of physical possession of the disputed plot. It further awarded damages of Rs. 13,700/- per month from 01.07.1987 until delivery of possession, along with interest at the rate of 6% per annum, Rs. 5,00,000/- towards escalation in construction costs and exemplary costs of Rs. 2,00,000/-. The High Court also issued directions in paragraph 58 concerning an inquiry into the conduct of the officials responsible for non-delivery of possession and recovery of damages from them.

4. We have heard Mr. R. Venkataramani, learned Attorney General for India, appearing on behalf of the appellant, Kanpur Development Authority; Mr. K.M. Nataraj, learned Additional Solicitor General, appearing on behalf of the appellant, State of Uttar Pradesh; and Mr. Arvind Varma, learned senior counsel, appearing on behalf of the respondents.

5. On the joint request made by learned senior counsel appearing for the parties, the appeals have been taken up for final hearing at this stage. We have also carefully perused the material placed on record.

6. Having considered the submissions advanced by learned counsel for the parties and the material placed on record, we are of the view that the impugned judgment calls for interference only to a limited extent. In view of the statement made by the learned Attorney General regarding delivery of possession of the disputed plot to the respondents, we do not consider it necessary to examine the rival claims concerning the earlier delivery of possession. The principal question which remains for our consideration is whether the award of damages and exemplary costs, along with the directions issued in paragraph 58 of the impugned judgment, can be sustained.

7. Insofar as the award of damages is concerned, the High Court has proceeded primarily on the basis of the project report submitted by the original plaintiffs, which estimated a monthly profit of Rs. 13,700/- from the proposed business. Admittedly, the proposed factory was never established and the business never commenced. The anticipated profits mentioned in the project report could not, merely because they remained unrebutted, be treated as conclusive proof of the profits which the

plaintiffs would have earned over such an extended period. Similarly, the award of Rs. 5,00,000/- towards escalation in the cost of establishing the factory was not supported by sufficient evidence establishing the actual loss suffered under that head. We are, therefore, of the considered view that the award of damages under subparagraphs (B) and (C) of paragraph 61 of the impugned judgment cannot be sustained.

8. We are also of the view that the directions contained in paragraph 58 of the impugned judgment, requiring an inquiry into the conduct of the concerned officials and recovery of damages from them, were not warranted in the facts and circumstances of the present case. The individual responsibility of the officials concerned was neither the subject matter of the civil suit nor independently adjudicated upon. The award of exemplary costs of Rs. 2,00,000/- under subparagraph (F) of paragraph 61, which proceeds on the same considerations regarding the alleged conduct of the defendants, also does not warrant being sustained. Accordingly, these directions and the award of exemplary costs are liable to be set aside.

9. Accordingly, the appeals are partly allowed. The directions contained in paragraph 58 of the impugned judgment, as well as the reliefs granted under subparagraphs (B), (C) and (F) of paragraph 61 of the said

judgment, are hereby set aside. The remaining directions of the High Court shall remain undisturbed.

10. In view of the statement given by the learned Attorney General, the possession of the disputed plot shall be handed over forthwith to the respondents.

11. Pending applications, if any, stand disposed of.

.....J.

[VIKRAM NATH]

.....J.

[APARESH KUMAR SINGH]

NEW DELHI;
OCTOBER 26, 2026