

FIN-O-SCOPE

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If there are two judgments of the Supreme Court which are inconsistent with each other, which judgment should a High Court follow? A recent Supreme Court judge suggested a way out.

Introduction

The doctrine of precedent is fundamental to the Indian judicial system. However, when two decisions of the Supreme Court appear to be inconsistent with each other, High Courts are often confronted with the dilemma of choosing which precedent to follow. A recent Supreme Court ruling in *M/S A.P. Electrical Equipment Corporation v. The Tahsildar & Ors.* [2025 INSC 274, Civil Appeal Nos. 4526-4527 of 2024] provides interpretative clarity, advocating for a reconciliatory approach rather than a rigid preference for one judgment over another.



Key Facts

- Parties Involved – M/S A.P. Electrical Equipment Corporation (now ECE Industries Ltd.) filed a case against the Tahsildar and other state authorities.
- Nature of Business – The appellant company was engaged in the manufacture and sale of power transformers and electrical equipment.

Key Facts

- Land in Dispute – The case revolved around land measuring 1,63,764 sq. yards in Fatehnagar Village, Telangana, which the company owned.
- Urban Land Ceiling Act Application – The land was subject to the Urban Land (Ceiling and Regulation) Act, 1976 (ULC Act), which imposed limits on landholding.
- Government Exemptions – The state government had earlier exempted certain portions of the land from ULC restrictions for industrial use and housing schemes.
- Revocation of Exemption – Later, the state withdrew the exemptions, claiming non-compliance with conditions for land use.
- Surplus Land Determination – Authorities declared 46,538.43 sq. meters as surplus land under ULC laws.

The Supreme Court's Observations

A Bench comprising Justice J.B. Pardiwala and Justice R. Mahadevan recently emphasized that High Courts should not outrightly favor one judgment over another but should attempt to harmonize both. The judgment referred to the dictum of Lord Halsbury in *Quinn v. Leathem* [1901 AC 495] at p.506, wherein it was observed:

"Every judgment must be read as applicable to the particular facts proved or assumed to be proved, since the generality of the expressions which may be found there are not intended to be expositions of the whole law, but governed and qualified by the particular facts of the case in which such expressions are to be found. The other is that a case is only an authority for what it actually decides. I entirely deny that it can be quoted for a proposition that may seem to follow logically from it. Such a mode of reasoning assumes that the law is necessarily a logical code, whereas every lawyer must acknowledge that the law is not always logical at all."

The Bench reasoned that the decision whose facts are more aligned with the case at hand should be given precedence, reinforcing the need for contextual application of precedents.

The Earlier Precedent Rule: First in Time Prevails

Despite this emphasis on reconciliation, prior Supreme Court rulings have endorsed the principle that when conflicting judgments of coordinate Benches exist, the earlier decision should be followed. This was reaffirmed in *UT of Ladakh v. Jammu and Kashmir National Conference*, where the Supreme Court upheld the rule established in *National Insurance Company Limited v. Pranay Sethi* [(2017) 16 SCC 680], stating that High Courts must adhere to the first decision in time when confronted with conflicting judgments by Benches of equal strength.

Reconciling Divergent Judicial Views

This divergence suggests that High Courts must exercise judicial prudence. The reconciliatory approach advanced by Justices Pardiwala and Mahadevan acknowledges that legal principles should be applied in the context of specific factual matrices. Meanwhile, the rule of following the earlier judgment provides a structured resolution mechanism when reconciliation is impractical.

A practical approach for High Courts would be to initially attempt harmonization by analyzing the factual and legal nuances of the conflicting judgments. If reconciliation is unfeasible, the earlier precedent must be followed to maintain judicial discipline and consistency in legal interpretation.

Conclusion

The issue of conflicting Supreme Court judgments is a matter of significant judicial interpretation. The recent observations by the Supreme Court encourage a nuanced approach, prioritizing contextual harmony over a rigid application of precedent. However, the established principle that earlier decisions prevail continues to serve as a stabilizing factor in judicial interpretation. This evolving jurisprudence underscores the need for a balanced methodology in adjudication, ensuring both legal certainty and flexibility.

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Key Facts

- Allegations of Backdating Documents – The company argued that the possession documents, including Section 10(5) and 10(6) notices, were backdated and fabricated.
- Repeal of ULC Act – In 2008, the ULC Act was repealed, meaning that if actual possession had not been taken, the proceedings should have lapsed.
- Legal Challenge by the Company – The company filed writ petitions in the Telangana High Court, contesting the alleged takeover.
- Single Judge Ruling (2022) – The Single Judge ruled in favor of the company, holding that the government had not taken actual physical possession of the land.
- Division Bench Reversal – The state appealed to a Division Bench, which ruled in favor of the government, setting aside the Single Judge's ruling.