



CIVIL

Supreme Court holds that while interpreting contractual stipulations the rule of literal interpretation should be followed when stipulations are clear and specific

AUTHOR Brian Noronha, Aryan Vatkari

PUBLISHED 9 October 2024

The Hon'ble Supreme Court ("SC") recently held in a noteworthy judgment of *Kamal Kishore Seghal v. Murti Dev*^[i] that where the language used in an instrument/document is clear and unambiguous, only the clear expression of words is to be considered for the interpretation of the instrument and not the surrounding circumstances.

Backdrop of the case

The present case pertained to a property dispute arising from two sale deeds, that stipulated the division and sale of a parcel of land, in Delhi. The original owner bifurcated a 1398 square yard plot into two equal portions, each measuring 699 square yards. These portions, designated as A and B, were subsequently sold to the plaintiff-respondents and the defendants-appellants, respectively. The dispute revolved around the usage of the common accessway to the appellants' property, which also connected in the front to the respondents' property.

Proceedings before the Ld. Trial Court:

The respondents had filed a suit for permanent injunction, claiming the entire passageway as common. The appellants objected to the suit on the ground that the respondents' sale deed contained a stipulation that only a 15-foot-wide common passageway could be used by the respondents, and that the former had no other means of access to its property.

The Trial Court dismissed the suit holding that right of way of the appellants cannot be curtailed; thus, the same was carried in appeal before the Hon'ble Delhi High Court ("HC"). The HC reversed the Trial Court's decision and permitted usage of the common access to both parties, leading to the present appeal. There was no stipulation, in the original sale deeds that the portion in the back was permitted to be used by the respondents.

Analysis by the Hon'ble Supreme Court:

The SC^[ii] determined that the crux of the dispute hinged on the interpretation of the sale deed recitals. The central issue was whether the term 'common passage,' as used by both parties, encompassed the entire stretch from X-Z1 (i.e. the entire passageway) or was limited to the segment X-Y (i.e. only the front portion). Upon a literal interpretation of the respondents' sale deed recitals, the SC observed that while the respondents were obligated to allocate a 15-foot-wide common passage for access to the appellants' property, the former retained the right to use this passage. Conversely, an examination of the appellants' sale deed revealed no stipulation requiring the appellants to designate a similar 15-foot-wide passage within their property for the respondents' use.

In this context, the SC reiterated the settled principle of interpretation of contractual stipulations that when the language of a document is clear and unambiguous, primacy should be given to the explicit textual content without recourse to extraneous considerations.

The SC reiterated the cardinal principle of interpretation of contracts, stating that literal interpretation to the clauses of a contract ought to be relied upon and no other inferences ought to be drawn^[iii]. The SC in its final determination, held that the common passage was confined exclusively to the segment demarcated as X-Y. Consequently, it affirmed that the portions designated as Y-Z and Z-Z1 were within the exclusive domain of the appellants. In light of this interpretation, the SC set aside the HC's judgment and reinstated the Trial Court's original decision.

Authors' Opinion

In the authors' opinion, this decision follows a nuanced understanding of the principle of literal interpretation in contractual property disputes. The SC's judgment represents how a court usually follows the basic principle and doctrine of contract interpretation. This decision of the SC underscores the importance of explicit language in the contract itself, and that literal interpretation ought to be followed where the document is explicitly worded.

^[i] Civil Appeal No .9482 of 2013.

^[ii] The coram comprised of Pankaj Mithal and R. Mahadevan, JJ.

^[iii] *ibid*, para 18.