

SC says no automatic vacation of stay orders of trial courts, HCs

The court stated that trial courts, being familiar with grassroots situations, are better positioned to determine which cases should be heard on priority



A five-judge Bench of the Supreme Court (SC) overruled its own three-Bench judgment on Thursday and declared that a stay order once issued by a high court (HC) in both civil and criminal cases does not automatically stand vacated in six months.

The court overturned its Asian Resurfacing judgment of 2018, which mandated that interim orders passed by HCs staying trials in civil and criminal cases would automatically expire after six months from the order's date unless expressly extended by the HCs.

"A direction that all interim orders passed by HCs will automatically expire on the lapse of time cannot be issued in exercise of powers under Article 142 of the Constitution," the Bench of Chief Justice D Y Chandrachud, and Justices Abhay S Oka, J B Pardiwala, Pankaj Mithal, and Manoj Misra ruled.

Justice Oka read out the judgment.

The court observed that constitutional courts should refrain from laying down time-bound schedules for cases being heard by any other court, and such directions can only be issued in exceptional circumstances.

The court stated that trial courts, being familiar with grassroots situations, are better positioned to determine which cases should be heard on priority.

"It is in the interest of justice to provide that a reasoned stay order, once granted in any civil or criminal proceedings, if not specified to be time-bound, would remain in operation until the decision of the main matter and unless an application is moved for its vacation and a speaking order is passed adhering to the principles of natural justice either extending, modifying, varying, or vacating the same," the court said.

In the 2018 judgment, the court held that in all civil and criminal proceedings where a stay order is granted, it will come to an end automatically after six months.

The court then noted that any extension of stay could only be granted by a reasoned order of the court and under exceptional circumstances, where injustice would be caused if the stay order is not continued until the trial's completion.

The court had observed, "If a stay is granted, the matter should be taken on a day-to-day basis and concluded within two to three months."

The five-judge Bench rejected this reasoning and noted that the concept of stays being vacated automatically in six months may result in a "serious miscarriage of justice".

"In a country like India where dockets of the courts are always overflowing, it is not always a litigant's fault for prolonged litigation. It is a welcome judgment by the SC, which is in line with the cardinal principle of law that no one should be condemned unheard," said Ateev Mathur, partner-head dispute resolution, SNG & Partners (Advocates & Solicitors).