BLOGS

Learn in a Minute: Obiter Dicta and Ratio Decidendi

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Ratio Decidendi and Obiter Dicta: Meaning and Difference

Introduction

Ratio decidendi and obiter dicta are the two parts into which every judgment is divided for the purpose of precedent. The ratio is the binding legal principle on which the case was decided; obiter dicta are everything else the judge said along the way.

Ratio decidendi

Latin for "the reason for deciding". The principle of law, applied to the material facts, that was necessary for the court's decision; it binds lower courts.

Obiter dicta

Latin for "things said by the way" (singular: obiter dictum). Remarks not necessary for the decision, such as hypotheticals or wider observations; they persuade but do not bind.

The distinction matters because courts in common law systems, including India and the UK, follow precedent: like cases are decided alike. Only the ratio of an earlier case carries that binding force. Knowing which part of a judgment is the ratio tells a lawyer, a judge or a student what the case actually decided. For more terms used in legal theory, see these important definitions in jurisprudence.

What is Ratio Decidendi?

The ratio decidendi is the legal rule that a court applied to the material facts to reach its decision. It is the part of a judgment that later courts must follow under the doctrine of stare decisis.

Rupert Cross, in Precedent in English Law, defined it as "any rule of law expressly or impliedly treated by the judge as a necessary step in reaching his conclusion, having regard to the line of reasoning adopted by him". Two features follow from this. First, the ratio is a rule of law, not a finding of fact. Second, it must be necessary to the result: if the court could have reached the same decision without it, it is not the ratio.

A judgment does not label its ratio. Later courts work it out by reading the facts, the issues and the reasoning together, which is why the same case can be read more broadly or narrowly over time.

Example: in Donoghue v Stevenson (1932), the narrow ratio is that a manufacturer of products owes a duty of care to the ultimate consumer where there is no reasonable possibility of intermediate examination.

What is Obiter Dicta?

Obiter dicta are statements in a judgment that were not necessary to decide the case. They are not binding on later courts, but they can persuade them, especially when they come from a higher court or a respected judge.

Obiter dicta usually take one of these forms:

- Observations on a point of law that did not arise on the facts
- Hypothetical situations, such as "if the facts had been different, the result would be..."
- Wider statements of principle than the case needed
- Comments on the state of the law, or suggestions for reform
- Dissenting judgments, which do not form part of the court's decision

Example: in Donoghue v Stevenson, Lord Atkin's broad "neighbour principle", that you must take reasonable care to avoid acts or omissions that you can reasonably foresee would injure your neighbour, went beyond what the case needed. It is often treated as obiter, yet later courts built the modern law of negligence on it.

Key Differences

The ratio decides the case and binds later courts; obiter dicta do neither. The table sets out the differences point by point.

Basis	Ratio decidendi	Obiter dicta
Meaning	The legal principle necessary for the decision ("reason for deciding")	Remarks "said by the way", not needed for the decision
Binding force	Binding on lower courts; the Supreme Court's ratio binds all courts (Art 141)	Persuasive only, though Supreme Court obiter carries great weight with High Courts
Found in	The material facts plus the decision on them	Hypotheticals, observations beyond the issues, dissents
Effect of a change	Changing it changes the outcome	The outcome stands without it

How to Identify the Ratio

Finding the ratio is the hardest part of reading a case, because judgments mix the rule with facts, reasoning and side remarks. Two classic tests help, devised by the jurists Eugene Wambaugh and Arthur Goodhart. For the wider theory behind them, see these schools of jurisprudence and eminent thinkers.

Wambaugh's inversion test

Eugene Wambaugh, an American law professor, proposed this test in The Study of Cases (1892). Take the proposition you think is the ratio and reverse it. Then ask: if the court had accepted the reversed proposition, would the decision have been different? If yes, the proposition is the ratio. If the decision would have stood anyway, the proposition is obiter. The test is good at weeding out obiter, but struggles where a case rests on two independent grounds, since reversing either alone does not change the result.

Goodhart's material-facts test

Arthur Goodhart set out this test in "Determining the Ratio Decidendi of a Case" (1930). The ratio is found not in the judge's reasons but in the facts the judge treated as material, together with the decision on those facts. A later court is bound to reach the same conclusion on the same material facts. Facts the judge treated as immaterial, such as the names of the parties or the place, are ignored. The weakness is that judges do not always say which facts they treat as material.

Tests for finding the ratio

Test	How it works
Wambaugh's inversion test	Reverse the proposition; if the decision would change, it is the ratio
Goodhart's material-facts test	Identify the facts the judge treated as material; the decision on those facts is the ratio

Steps to extract the ratio from a judgment

1. Read the whole judgment, starting with the facts and the issues as the court framed them.
2. Note the facts the court relied on, and those it said did not matter.
3. Identify the question of law the court had to answer to decide the case.
4. Find the court's answer, and the reasoning without which it could not have reached that answer.
5. Apply the inversion test to each proposition to separate the ratio from obiter.
6. In a multi-judge bench, find the proposition a majority of judges agreed on; a point accepted by only some judges is not the ratio of the court.
7. Check how later cases have read the judgment, since they often settle what its ratio is.

Worked Example from a Judgment

Justice K.S. Puttaswamy (Retd) v Union of India, (2017) 10 SCC 1, shows a ratio and an obiter side by side in a single Supreme Court judgment.

The case. A nine-judge bench was set up for one question: is privacy a fundamental right under the Constitution? Two older judgments, M.P. Sharma (1954, eight judges) and Kharak Singh (1962, six judges), had been read as saying no. On 24 August 2017, the bench answered

unanimously.

Ratio decidendi

The right to privacy is protected as an intrinsic part of the right to life and personal liberty under Article 21, and as part of the freedoms guaranteed by Part III. M.P. Sharma and Kharak Singh are overruled to the extent they held otherwise.

This is the ratio because it is the answer to the only question referred, and the decision could not stand without it. Inverting it ("privacy is not a fundamental right") would reverse the outcome.

Obiter dictum

In the plurality opinion, Chandrachud J said that the reasoning in Suresh Kumar Koushal v Naz Foundation (2013), which upheld Section 377 IPC partly because only a "minuscule fraction" of the population was affected, was "unsustainable". But the Court left the validity of Section 377 to be decided in the separate challenge then pending.

This is obiter because the bench was not deciding Section 377. Remove the remark and the answer on privacy is unchanged. Even so, it mattered: a year later, in Navtej Singh Johar v Union of India (2018), a five-judge bench overruled Koushal and decriminalised consensual same-sex relations between adults, drawing on Puttaswamy.

The judgment also contains other obiter, such as the Court's remarks on the need for a data protection law, which Parliament enacted in 2023.

Ratio, Obiter and Article 141

In India, the binding force of precedent comes from Article 141 of the Constitution: "The law declared by the Supreme Court shall be binding on all courts within the territory of India." The Supreme Court has read "law declared" to mean the ratio decidendi, not every sentence in a judgment. For the full doctrine, see stare decisis and Article 141.

Why the ratio matters

The ratio gives the law certainty and predictability. Lower courts apply it to like facts, parties can plan around it, and judges cannot decide similar cases differently at will. In Union of India v Dhanwanti Devi (1996), the Supreme Court said a decision "is only an authority for what it

actually decides", and what matters is its ratio, "not every observation found therein".

The hierarchy works like this:

- The Supreme Court's ratio binds every court in India.
- The Supreme Court is not bound by its own earlier decisions (Bengal Immunity Co v State of Bihar, 1955), but a smaller bench is bound by a larger one. A bench that doubts a decision of an equal bench refers the question to a larger bench.
- A High Court's ratio binds the courts subordinate to it in that state, and persuades other High Courts.

Why obiter still matters

Obiter does not bind as law, but it is far from worthless. High Courts treat considered Supreme Court obiter with great respect and ordinarily follow it. In Director of Settlements v M.R. Apparao (2002), the Supreme Court said the law declared under Article 141 extends to observations on points that were raised and decided, even if they were not strictly necessary. Casual remarks, by contrast, carry only persuasive value.

The Court has also set limits. In Municipal Corporation of Delhi v Gurnam Kaur (1989), it held that a point not argued or considered, and directions given without reasons, do not count as law declared under Article 141.

Related terms

- **Stare decisis:** "to stand by things decided"; the doctrine that courts follow the ratio of earlier decisions.
- **Per incuriam:** "through lack of care"; a decision given in ignorance of a binding statute or precedent, which is not binding.
- **Sub silentio:** "in silence"; a point the court decided without argument or consideration, so the decision is not an authority on it.

For more terms like these, see 100 important legal terms for law entrance exams.

Evolution of Legal Doctrines Through Obiter

Some of the most important rules in Indian and English law began as obiter or dissent and became binding later. Obiter is often where the law of the future is first written down.

Doctrine	Where it began (obiter or dissent)	Where it became binding
Basic structure of the Constitution	Mudholkar J's concurring opinion in Sajjan Singh v State of Rajasthan (1965) asked whether Parliament could change the Constitution's "basic features"	Kesavananda Bharati v State of Kerala (1973)
Promissory estoppel	Denning J in Central London Property Trust v High Trees House (1947)	Applied against the government in India in Motilal Padampat Sugar Mills v State of UP (1979)
General duty of care in negligence	Lord Atkin's "neighbour principle" in Donoghue v Stevenson (1932)	Built on by later cases such as Home Office v Dorset Yacht (1970)
Right to life cannot be suspended	Khanna J's dissent in ADM Jabalpur v Shivkant Shukla (1976)	Puttaswamy (2017), which held the majority view in ADM Jabalpur was seriously flawed
Decriminalising same-sex relations	Puttaswamy (2017) calling Koushal's reasoning "unsustainable"	Navtej Singh Johar v Union of India (2018)

The pattern is the same each time. A judge says something the case does not need. Later, when the issue arises squarely, a court finds the reasoning persuasive and adopts it as the ratio of a new decision.

FAQs

What is ratio decidendi?

Ratio decidendi, Latin for "the reason for deciding", is the principle of law that a court applied to the material facts to reach its decision. It is the binding part of a judgment, which later courts must follow under the doctrine of precedent.

Is obiter dicta binding in India?

No, obiter dicta are not binding as law; only the ratio is "law declared" under Article 141. But considered obiter of the Supreme Court carries great weight, and the Court has said that observations on points raised and decided can bind lower courts.

How do you identify the ratio?

Read the facts, the issues and the reasoning together, and find the rule of law the court needed to reach its decision. Two tests help: Wambaugh's inversion test (reverse the proposition; if the decision would change, it is the ratio) and Goodhart's material-facts test (the decision on the facts the judge treated as material is the ratio).

Can Supreme Court obiter bind High Courts?

Strictly, Article 141 makes only the Supreme Court's ratio binding. In practice, High Courts ordinarily follow considered Supreme Court obiter, because of the Court's authority and because observations on points raised and decided can count as law declared. Casual remarks remain persuasive only.