

PRECEDENT – RATIO DECIDENDI

PRECEDENT:

A Precedent is a previous instance or case which furnishes an example or rule for subsequent conduct and a pattern upon which subsequent conduct is based. Salmond says, “*Precedents are judicial decisions followed in subsequent cases*”.

‘Judicial precedent’ means a judgment of a Court of law cited as an authority for deciding a similar set of facts; a case which serves as authority for the legal principle embodied in its decision. A judicial precedent is a decision of the Court used as a source for future decision making.

RATIO DECIDENDI:

Jurist Goodhart in chapter “Determining the ratio decidendi of a case” [Essays in Jurisprudence and the Common Law] has observed that the ratio decidendi of a case can be defined as the material facts of the case plus the decision thereon. The same learned writer who advanced this definition went on to suggest a helpful formula. Suppose that in a certain case facts A, B and C exist; and suppose that the court finds that facts B and C are material and fact A immaterial, and then reaches conclusion X

(e.g. Judgment for the plaintiff, or judgment for the defendant). Then the doctrine of precedent enables us to say that in any future case in which facts B and C exist, or in which facts A and B and C exist, the conclusion must be X. If in a future case, facts A, B, C and D exist, and fact D is held to be material, the first case will not be a direct authority, though it may be of value as an analogy.

Ratio decidendi means the reason or the principle upon which the case has been decided by the higher Courts and only this much is binding on the subordinate courts while applying the earlier decision. The ratio decidendi can be ascertained by an analysis of facts.

The above mentioned established principle or proposition of law was beautifully enunciated by the ***Hon’ble Supreme Court*** in the case of ***Commissioner of Income-tax v. Sun Engineering Works (P.) Ltd (198 ITR 297)***, wherein it was held as:

“It is neither desirable nor permissible to pick out a word or a sentence from the judgment of this Court, divorced from the context of the question under consideration and treat it to be the complete ‘law’ declared by this Court. The judgment must be read

as a whole and the observations from the judgment have to be considered in the light of the questions which were before this Court. A decision of this Court takes its colour from the questions involved in the case in which it is rendered and while applying the decision to a latter case, the Courts must carefully try to ascertain the true principle laid down by the decision of this Court and not to pick out words or sentences from the judgment, divorced from the context of the questions under consideration by this Court, to support their reasonings.”

In another case ***Krishna Kumar vs. Union of India*** and others ((1990) 4 SCC 207) it has been observed that:

“In other words, the enunciation of the reason or principle upon which a question before a court has been decided is alone binding as a precedent. The ratio decidendi is the underlying principle, namely, the general reasons or the general grounds upon which the decision is based on the test or abstract from the specific peculiarities of the particular case which gives rise to the decision. The ratio decidendi has to be ascertained by an analysis of the facts of the case and the process of reasoning involving the major premise consisting of a pre-existing rule of law, either statutory or judge-made, and a minor premise consisting of the material facts of the case under immediate consideration. If it is not clear, it is not the duty of the court to spell it out with difficulty in order to be bound by it.”

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