

# International Journal of Innovative Research in Science, Engineering and Technology

(An ISO 3297: 2007 Certified Organization)

Website: [www.ijirset.com](http://www.ijirset.com)

Vol. 6, Issue 9, September 2017

## Doctrine of Promissory Estoppel

Priyanka Dhar<sup>1</sup>

Department of Law, Galgotias University, Yamuna Expressway Greater Noida, Uttar Pradesh, India<sup>1</sup>

[priyanka.dhar@galgotiasuniversity.edu.in](mailto:priyanka.dhar@galgotiasuniversity.edu.in)<sup>1</sup>

**ABSTRACT:**The fair principle of promissory estoppels and their evolution will be explained in this article. This paper would also clarify the ingredients and applicability of the theory and the legal obligation that exists from promissory estoppel. In this paper, the report of the law commission on promissory estoppels is presented. The sphere of promissory estoppel would be discussed in contract or avoided. This paper would deal with recourse against violation of promissory estoppels and the extent of the plea against government from the doctrine of promissory estoppels. The purpose of this paper is to research the idea of promissory estoppel and its evolution, which is a good relief for the group suffered that was not at all at fault. There is no clause as such that makes explicit the existence of redress under this principle, but the defense of the innocent party as a shield is enforceable and dependent on equity. This paper discusses the theory itself, its evolution, and the jurisprudence behind this concept.

**KEYWORDS:**Contract Law; Jurisprudence; Promissory Estoppel; Violation.

### I. INTRODUCTION

The ideals of equity, fair play and good faith are the foundation of the doctrine of promissory estoppels. To stop inequality, it was created by equity. It does not fall under contract or under proper suspension. The idea is that if a party makes a commitment to another party with the intention of forming or impacting a legal agreement and that party acts on it, the promise should be binding on the party that makes it. It would not be permitted to revert from its terms. Since it would be against equity to revert from the terms[1].

In *Motilal Padampat Sugar Mills vs State of Uttar Pradesh and Ors*, Chief Secretary to the Cabinet ensured that the complete tax exemption would be provided to the new manufacturing units for the next 3 years on the basis of this guarantee M.P. in order to firmly develop industries. The sugar mill began to take massive sums of money as a loan from the hydro generation facility. The succeeding govt. There are some tax reform changes that state that companies will be charged at a varying scale[1].

The SC held, applying the doctrine of promissory estoppel, that the appellant took a big loan dependent on the government's guarantee. Therefore, as promised, no tax should be levied for a term of 3 years from the date of production. And there is nothing like making the pledge enforceable that one party should incur injury or loss, and the promise is also binding in the absence of detriment[2].

Promissory Estoppel's doctrine provides that the person should avoid himself from reclaiming his right that he had previously agreed to waive. Promissory estoppel is meant to deter the promisor from claiming that it is not necessary to legitimately retain or fulfill an underlying pledge. In any Statute, the doctrine of Promissory Estoppel is not specifically given, but it is based on the principle of justice that shields the group from unreasonable claims. In both English and Indian law, there are separate precedents that uphold this doctrine and argue that this concept should be used as a shield to defend innocent parties and not as a sword that means the cause of action brought in the court of law[2].

Promissory estoppel is a contract law doctrine that enforces a promise, whether or not executed as a contract. The theory aims to preserve the interests against the promisor of a promised or aggrieved faction. Promissory estoppel applies where a pledge to the promisor has been made by the promisor. The promising party must have relied on the pledge and incurred a failure due to the non-performance of the deal. The doctrine forbids the promoter or organization

# International Journal of Innovative Research in Science, Engineering and Technology

(An ISO 3297: 2007 Certified Organization)

Website: [www.ijirset.com](http://www.ijirset.com)

Vol. 6, Issue 9, September 2017

from referring to their word or pledge. For e.g., if they do not suit the specifications of consumer size, a supplier makes an oral pledge to the customer to substitute the items. The customer buys and takes the clothes off. The buyer, however, proposes to return the clothes to the seller, based on the oral promise of the seller. Here, the purchaser is prohibited from denying the returned clothes. The promissory estoppel doctrine differs from country to country. In the United States and other nations, the doctrine became part of the statute. Without thought, the commitment is enforceable[3].

Promissory estoppel helps to cause an injured party to make a pledge to heal. For a person to make a claim for promissory estoppel, there are common legally-required elements: a promisor, a promisee, and a detriment that the promisee has sustained. An additional condition is that the person making the argument would have relied on the commitment in a fair manner. In other words, the commitment was one that would usually be counted on by a rational individual[4].

The required detriment component is further qualified by another requirement; the promisor must have suffered a substantial real detriment in the form of an economic loss resulting from the failure of the promisor to fulfill his or her promise. Finally, promissory estoppel is generally granted only if a court finds that enforcing the promise is essentially the only way to correct injustice to the promised party[5].

## II. DISCUSSION

The promissory estoppel doctrine is an egalitarian doctrine. Like other equal recourse, total protections such as the right to damages for violation of contract are discretionary, as opposed to common law. The doctrine was named 'promissory estoppel', 'equal estoppel', 'quasi estoppel' and 'latest estoppel' in different forms. In order to deter discrimination, it is a concept established by equity and while generally referred to as 'promissory estoppel,' it is not in the domain of contract nor in the realm of estoppel[6].

The true theory of promissory estoppel is where one party has made a direct and unambiguous commitment to the other by its language or actions that is meant to establish legal agreements or effect a legal relationship to occur in the future, knowing or planning that the other party to which the promise is made will act on it and the other party is currently working on it, the promise wo In order to attract the applicability of the doctrine of promissory estoppel, it is not appropriate that the promised individual acting in reliance on the pledge should suffer any harm. The only essential thing is that in dependence on the pledge, the promisee should have altered its position[6].

The Courts of Equity in England extend this law, as estoppel is a rule of equity. In India, however, the ingredients of section 115 of the Indian Proof Act, 1872, must be met for the implementation of the law, as the law of estoppel is a rule of evidence. The promissory estoppel doctrine does not come under the scope of section 115 as the section addresses presentations made on actual evidence, while promissory estoppel deals with future commitments. A constitutional clause, as provided for in Article 299, which allows for an immunity from the personal obligation of the individual giving the pledge or guarantee, will be negated by the implementation of the doctrine[6].

This doctrine states that even though such a vow is made without any formal consideration, a commitment would be enforceable in statute. This doctrine allows the affected party to rebound from certain obligations that, if not met, could lead to economic losses. It is only possible to invoke the Promissory Estoppel doctrine as a shield. It will not be used to approach and bring a cause of action against the other side to the court. The above-mentioned metaphor serves as a restriction to the doctrine of the Promissory Estoppel, that the Promissory Estoppel should be used as a shield of protection and not a sword[7].

Promissory Estoppel should not be used as a sword, which means that a stand-alone non-bargain commitment to pay a certain fee cannot be used to enforce it. Therefore, the promisee is waiting to be sued on a pre-existing obligation and then uses the Promissory Estoppel as a protection of protection. Under English law, the doctrine of the Promissory Estoppel mitigates the harshness of the provision that consideration must endorse a commitment to alter or discharge a

# International Journal of Innovative Research in Science, Engineering and Technology

(An ISO 3297: 2007 Certified Organization)

Website: [www.ijirset.com](http://www.ijirset.com)

Vol. 6, Issue 9, September 2017

contract, but it goes little further than where it is today. With the numerous decisions that indicate that this doctrine should be seen as a shield and not as a weapon, this can be best understood[7].

While the doctrine of the Promissory Estoppel is not considered to be adequately defined in the Acts, by the different judgments issued in all these years, the judiciary has extended the scope of this doctrine. Especially, with the government within the framework of this doctrine's implementation. In the future, the doctrine's evolution will never end and its reach will expand[7].

Promissory estoppel is the legal concept that, even if made without formal consideration where a promisor made a promise to a promisee and then depends on that promise to his eventual detriment, a promise is enforceable by statute. Promissory estoppel is meant to deter the promisor from claiming that it is not necessary to legitimately retain or fulfil an underlying pledge. In the United States and other nations, the doctrine of promissory estoppel is part of the constitution, whereas the exact legal conditions for promissory estoppel vary not only between countries but also between various entities within the same country, such as states[8].

In a situation where an employer makes an oral commitment to an employee to pay the employee a defined monthly or annual sum of money for the entire term of the retirement of the employee, an example of promissory estoppel may be used. If the employee then retires on the grounds of reliance on the commitment of the employer, the employer could lawfully be barred from not upholding his promise to make the retirement benefits stated[9].

In general, contract law demands that a party gain consideration for making a commitment or arrangement. Legal consideration is a beneficial commodity which is traded at the time of a commitment or arrangement between two parties to a contract. Normally, for a contract to be legally enforceable, some sort of consideration, either an exchange of money or a pledge to withdraw from some conduct, is necessary. However, even in the absence of such consideration, a court could impose a commitment in an effort to ensure justice or equity, providing that the promise was properly focused on and that relying on the promise resulted in a drawback to the pledged party[10].

### III. CONCLUSION & IMPLICATION

When we live in a group, a man does not live in isolation; everybody is dependent upon each other. Contractual and contractual relationships were involved. When one person's promise becomes important to another and causes damage and loss, if it is refused it will cause damage to another one, the law of promissory estoppels is available as a shield for their defense. A good protection and a good theory for preventing discrimination is promissory estoppel. India's judiciary has played a very important role in keeping the pledge accountable and accountable and has made it stick with its promise.

Today, we live in a world where there are a lot of government commitments to either person or non-citizen, particularly if it is done in a contractual or business transaction. If an individual depends on the commitment of the government and spends hard earned money and the government does not cooperate with its pledge afterwards, it produces a situation where the investment of the person is in risk and he becomes weak and paralyzed. In India, the judiciary has played a very important role in holding the state responsible and accountable and in line with its commitment.

The theory of the Promissory Estoppel has been defined by numerous laws of different nations through their own view. Over the years, this doctrine's reach has expanded a lot. While there may be various ways of understanding the doctrine, every statute has specified that this doctrine can be well defined as the parties' shield rather than their sword. It may be used on the basis of the promised effect on the future as a shield for restoring the past damage or as a sword against future damage, though unconscionable just affects the past downside.

### REFERENCES

- [1] P. Pardolesi, "Promissory estoppel," in *Comparative Contract Law*, 2017.
- [2] D. A. Farber and J. H. Matheson, "Beyond Promissory Estoppel: Contract Law and the 'Invisible Handshake,'"

## International Journal of Innovative Research in Science, Engineering and Technology

(An ISO 3297: 2007 Certified Organization)

Website: [www.ijirset.com](http://www.ijirset.com)

Vol. 6, Issue 9, September 2017

- Univ. Chicago Law Rev.*, 1985, doi: 10.2307/1599520.
- [3] S. D. Henderson, "Promissory Estoppel and Traditional Contract Doctrine," *Yale Law J.*, 1969, doi: 10.2307/794874.
- [4] J. S. Kraus, "The correspondence of contract and promise," *Columbia Law Rev.*, 2009.
- [5] J. P. Kostritsky, "The Rise and Fall of Promissory Estoppel or is Promissory Estoppel Really as Unsuccessful as Scholars Say it is: A New Look at the Data," *SSRN Electron. J.*, 2005, doi: 10.2139/ssrn.287433.
- [6] J. M. Feinman, "Promissory Estoppel and Judicial Method," *Harv. Law Rev.*, 1984, doi: 10.2307/1340893.
- [7] R. A. Hillman, "Questioning the 'new consensus' on promissory estoppel: An empirical and theoretical study," *Columbia Law Rev.*, 1998, doi: 10.2307/1123424.
- [8] B. F. Boyer, "Promissory Estoppel: Requirements and Limitations of the Doctrine," *Univ. PA. Law Rev.*, 1950, doi: 10.2307/3309691.
- [9] D. V. Snyder, "Hunting promissory estoppel," in *Mixed Jurisdictions Compared: Private Law in Louisiana and Scotland*, 2005.
- [10] W. Hartzog, "Promises and privacy: Promissory estoppel and confidential disclosure in online communities," *Temple Law Rev.*, 2009.
- [11] Khaleel Ahmad, Monika Sahu, Madhup Shrivastava, Murtaza Abbas Rizvi and Vishal Jain, "An Efficient Image Retrieval Tool: Query Based Image Management System", *International Journal of Information Technology (BJIT)*, available online at 26th May, 2018, having ISSN No. 2511-2104.
- [12] Manjot Kaur, Tanya Garg, Ritika Wason and Vishal Jain, "Novel Framework for handwritten Digit Recognition Through Neural Networks", *3C Technology, Glosses of innovation applied to the SME*, ISSN: 2254-4143, Vol. 29, Issue 2, page no. 448 – 467.
- [13] Muhammad Noman, Muhammad Iqbal, Muhammad Talha Alam, Vishal Jain, Hira Mirza, Kamran Rasheed, "Web Unique Method (WUM): An Open Source Blackbox Scanner For Detecting Web Vulnerabilities", *International Journal of Advanced Computer Science and Applications (IJACSA)* having ISSN No. 2156-557, Vol. 8, No. 12, December, 2017.
- [14] Narinder K. Seera, Vishal Jain, "Perspective of Database Services for Managing Large-Scale Data on the Cloud: A Comparative Study", *International Journal of Modern Education and Computer Science (IJMECS)*, Vol.7, No. 6, June, 2015 having ISSN No. 2075-017X.
- [15] K.Deepika, P.Andrew, R.Santhya, S.Balamurugan, S.Charanyaa, "A Survey on Approaches Developed for Data Anonymization", *International Advanced Research Journal in Science, Engineering and Technology* Vol 1, Issue 4, December 2014.
- [16] V.M.Prabhakaran, Prof.S.Balamurugan, S.Charanyaa, "A Strategy for Secured Uploading of Encrypted Microdata in Cloud Environments", *International Advanced Research Journal in Science, Engineering and Technology* Vol. 1, Issue 3, November 2014
- [17] R Santhya, S Balamurugan, "A Survey on Privacy Preserving Data Publishing of Numerical Sensitive Data", *International Journal of Innovative Research in Computer and Communication Engineering*, Vol. 2, Issue 10, October 2014
- [18] Balamurugan Shanmugam, Dr.Visalakshi Palaniswami, Santhya. R, Venkatesh. R.S., "Strategies for Privacy Preserving Publishing of Functionally Dependent Sensitive Data: A State-of-the art Survey. *Aust. J. Basic & Appl. Sci.*, 8(15): 353-365, 2014