

Promissory estoppel under contract law

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In news– Advocate Prashant Bhushan has recently argued that instead of implementing the new recruitment scheme(Agnipath), the government should complete the old process and cited the doctrine of promissory estoppel.

What does promissory estoppel under contract law mean?

- Promissory estoppel **applies when the promisor has made a promise to the promisee.**
- The promisee must have relied on the promise and suffered a loss due to non-performance of the contract.
- The doctrine **prevents the promisor or enterprise from going back on their word or promise.**
- The doctrine of promissory estoppel **is an equitable doctrine.** Like all equitable remedies, it is discretionary, in contrast to the common law absolute right like right to damages for breach of contract.
- The doctrine has been variously called 'promissory estoppel', 'equitable estoppel', 'quasi estoppel' and 'new estoppel'.
- It is a principle evolved by equity to avoid injustice and though commonly named 'promissory estoppel', it is neither in the realm of contract nor in the realm of estoppel.
- This rule is applied by the Courts of Equity in England, as estoppel is a rule of equity.
- **In India, however, as the rule of estoppel is a rule of evidence, the ingredients of section 115 of the Indian Evidence Act, 1872,** must be satisfied for the application of the doctrine.
- The doctrine of promissory estoppel does not fall within the scope of section 115 as the section talks about

representations made as to existing facts whereas promissory estoppel deals with future promises.

- The application of the doctrine would negate the constitutional provision, as under Article 299, which affords exemption from personal liability of the person making the promise or assurance.