

## AN ANALYSIS OF THE DISTINCTION BETWEEN LEGITIMATE EXPECTATIONS, PROMISSORY ESTOPPEL AND MERE EXPECTATIONS

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### ABSTRACT

*Complex doctrines and principles that regulate the interactions and expectations of people and entities in different settings abound in the legal world. Three essential legal concepts are briefly reviewed in this abstract. The differences between these ideas are explored in this comparative analysis, showing how they are crucial for maintaining justice, fairness, and predictability in a variety of legal contexts, from governmental activities to business transactions and personal goals. Understanding these differences makes negotiating the complex legal environment easier, leading people and organisations in their legal interactions and expectations. on the differences between them and how they apply to contract law, administrative law, and personal views. This thorough examination shows how these ideas play crucial roles in the legal system, from governmental activities to business transactions and personal goals, by examining the notions' boundaries and points of confluence. Understanding these contrasts clears up the confusing legal landscape and directs people and organisations in their legal relationships and expectations.*

**Keywords:** Doctrines, Justice, Legal, Expectation, Government, Relationship.

### INTRODUCTION

A democratic nation like India upholds the "rule of law" as the ultimate, and the elected government is just as accountable to it as any other citizen. The government must act fairly and sensibly in using its authority because it is a custodian of the public's resources. Furthermore, the Directive Principles of State Policy in the Indian Constitution instruct the government to establish a welfare state, which will lead to more engagement between the government and its citizens. A question about a government's need to treat all of its citizens fairly and its ability to keep its commitments emerges in this setting. Promises made by the State must not be taken lightly and must be strictly implemented in an impoverished nation with a strong executive,

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like India. In this article, there is a clear distinction provided between the three major instruments.

To ensure justice, fairness, and predictability in legal relationships, it is crucial to have a thorough understanding of the many legal theories and concepts. Legitimate expectations, promissory estoppel, and mere expectations are a few ideas that are essential in this context. They each add a distinct twist to the story, much like characters in a legal drama, but their roles are far from interchangeable. As the curtain rises, we set out on a quest to clarify the differences between these legal ideas, investigating how they rule the stage in administrative law, business transactions, and the world of aspirations. Fairness, trust, and the harsh reality that not all expectations are created equally must coexist precariously.

These legal concepts may at first glance seem to be linked because they all involve expectations in some way, yet they each have different functions and only apply in particular legal situations. Promissory estoppel relates to contract law, legitimate expectations are firmly rooted in administrative law, and mere expectations are merely subjective perceptions without a sound legal basis. Understanding the differences between these three ideas is essential for understanding each one's function and potential applications in the legal system. It also clarifies the degree to which people and other entities can rely on legal expectations. This introduction opens the way for an examination of the subtle distinctions between these ideas, illuminating how they influence legal relationships and the assumptions that support them.

To make good on such commitments, there exist instruments, they are the doctrines of

Legitimate expectations

Promissory estoppel

Mere expectations

## **DOCTRINE OF LEGITIMATE EXPECTATION**

The doctrine of "Legitimate Expectation" refers to something that a person may legally and reasonably expect, but which is not accompanied by any associated legal rights. There is no legal definition of what is meant by "Legitimate Expectation" in any statute. A person's legitimate expectation, which is motivated by precedent or supported by advocacy, is their hope or desire to receive a favourable judgement. The applicant has sufficient locus standing for

judicial review because of a legitimate expectation. This doctrine states that in the absence of a "legitimate expectation," the public authority may be held accountable. In the evolving body of judicial review law, the idea of legitimate expectation plays a significant role. According to the idea, even though a person lacks a legal right under private law to receive a particular type of treatment from an administrative entity, they may nonetheless have a legitimate expectation of it.<sup>1</sup>

The Constitution's Article 14 and the concept of fairness serve as the foundation for justifiable expectation. The doctrine's application has effectively been incorporated into Article 14 of the Constitution. As a result, "non-arbitrariness and unreasonableness" have been deemed the necessary qualifications for determining whether or not there was a denial of a valid expectation. The doctrine in the Indian context is now largely unnecessary as a result of such a mandate. Lower norms must be established as qualifiers for the doctrine to develop independently, however doing so obviously carries hazards like having too much judicial involvement.<sup>2</sup> The concepts of natural justice are comparable to the theory of justifiable expectation. It guarantees equity in the judicial and administrative systems as well as fairness, dependence, and faith in the government. By guaranteeing that government officials are held accountable for their actions, the idea of legitimate expectation ensures the regulation and control of power and authority. Many people disagree with this, though. They claim that the process of developing policies shouldn't be overly restricted.

The two sorts of legitimate expectations are:

Procedural legitimate expectations- before a decision is made, a hearing or other suitable mechanism will be provided. It is important to remember that a process that has been followed up until now will continue

Substantive legitimate expectations- that the treatment in question will continue to have its intended effects

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<sup>1</sup> <https://www.taxmann.com/post/blog/opinion-doctrine-of-legitimate-expectation-meaning-concept-its-application/#:~:text=The%20doctrine%20of%20legitimate%20expectation%20has%20an%20important%20place%20in,law%20to%20receive%20such%20treatment> accessed 22 July 2024

<sup>2</sup> <https://blog.ipleaders.in/legitimate-expectaion/> accessed 22 July 2024

## History Of The Doctrine

Since the late 19th century, the country has made significant advancements. The range of government operations has widened to the point where it now touches every aspect of the average citizen's life. These responsibilities and duties are so varied that it is challenging to classify or even keep track of them.<sup>3</sup>

The term "legitimate expectation," first used by Lord Denning in 1969, is defined as an expectation that should be protected (must be "legitimate") but may not necessarily be a right in the traditional sense.<sup>4</sup>

## Origin And Development In India

In the case of *State of Kerala v. K.G. Madhavan Pillai*<sup>5</sup> ((1988) 4 SCC 669), the doctrine of legitimate expectation was first explored in the Indian context. In this case, the respondents were given a punishment that required them to modernise their current schools and build a new aided school, but 15 days later, an order was made that kept the earlier sanction in place. The respondents contested this Order because it was against natural justice principles. The second order breached natural justice principles, the Supreme Court decided, and the sanction had given the respondents a rightful expectation.

In another case of *Food Corporation of India v. Kamdhenu Cattle Feed Industries*<sup>6</sup> JT 1992 (6) SC 259, where the appellant floated a tender and the respondent was undoubtedly the top bidder, the notion of "legitimate expectation" was applied. The appellant, however, expressed dissatisfaction with the quoted price and demanded more discussions within the period that the offer was still valid. The respondent was offered the chance to adjust his rate during the negotiations, but he declined to do so when the appellant was able to obtain a higher offer. As a result, the respondent's bid was turned down by the appellant. The respondent, who was offended by this, filed a writ petition with the High Court, stating that the appellant's action was arbitrary and in violation of Article 14<sup>7</sup> of the Indian Constitution. The case made it to the Supreme Court, which ruled that while it is undeniably true that the appellant has the right to reject all proposals and tenders, this must be done with good justification. By allowing all

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<sup>3</sup> Jain, M.P., *Changing Face of Administrative Law in India and Abroad*; (1982)

<sup>4</sup> Basu, D.D., *Human Rights in Constitutional Law*, (2003)

<sup>5</sup> <https://www.legalauthority.in/judgement/state-of-kerala-and-ors-vs-k-g-madhavan-pillai-and-ors-29889>

<sup>6</sup> <https://www.casemine.com/judgement/in/5609ac79e4b014971140eff7> accessed 22 July 2024

<sup>7</sup> The Constitution of India, s 14

bidders an equal chance to participate in the bidding, the goal of organising a tender is to achieve the highest price for a certain good. The inadequacy of the price, then, can be a good starting point for further haggling with the bidders to get a better price. In this instance, negotiations with all of the bidders resulted in a price that was much higher. Furthermore, the respondent—the previous highest bidder—was given the chance to demand a price higher than what was agreed upon during talks. The reply, nevertheless, refused to increase his asking price.<sup>8</sup>

### **Origin And Development In English Law**

The Court discusses how the doctrine of legitimate expectations first appeared in English law in the case of *Schmidt v. Secretary of State for Home Affairs*<sup>9</sup> ((1969) 2 Ch. 149) where it was found that a foreigner who had been granted permission to enter the United Kingdom had the right to be heard and a legitimate expectation of being allowed to stay for the permitted period.

### **DOCTRINE OF PROMISSORY ESTOPPEL**

Although it is frequently referred to as Promissory Estoppel, the Doctrine of Promissory Estoppel is an equitable doctrine that was developed to prevent injustice; nonetheless, it is neither a contract nor an estoppel. Common law frequently applies this notion when a government or contract is broken. When a promisor makes a promise to a promisee who later relies on that promise to his detriment, the promise is legally enforceable even though it was made without formal consideration, according to the legal principle known as promissory estoppel. The goal of promissory estoppel is to prevent the promisor from arguing that a subordinate promise shouldn't be upheld or enforced by the law. An injured party can recover on a promise thanks to promissory estoppel. To assert a claim for promissory estoppel, a person typically needs three things: a promisor, a promisee, and harm that the promisee has endured. Another prerequisite is that the promisee, the party asserting the claim, must have reasonably relied on the promise. The promisee must have experienced a real substantial detriment in the form of an economic loss as a result of the promisor's failure to fulfil their promise. This qualifies the required detriment component further.

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<sup>8</sup> (1993) 1 SCC 71

<sup>9</sup><https://www.casemine.com/judgement/uk/5a8ff87960d03e7f57ec112e#:~:text=Decision,the%20precepts%20of%20natural%20justice>. accessed 22 July 2024

When these conditions are satisfied, the party making the promise is usually stopped (prevented) from breaking it. Even though there might not be a formal contract, the promise can still be upheld or damages might be recovered using the law of promissory estoppel. Fundamentally grounded in the concepts of equity and fairness are promises of estoppel. It stops one party from acting unfairly when the other has relied on their promise to their harm by breaking it. Although promissory estoppel is a powerful legal theory, it has its limits. The reliance must be reasonable and to the harm of the person asserting estoppel, and the promise must be unambiguous and plain. Additionally, courts will weigh the competing interests and decide whether it would be fair under the circumstances to carry out the promise. In contractual disputes where there is no formal contract but a clear commitment exists, promissory estoppel is frequently invoked. It is frequently used in instances involving verbal agreements, charitable donations, and promises made by one party to sway the behaviour of the other side.

### **Evolution Of The Doctrine – England**

Estoppel is an equity principle. In recent years, this regulation has taken on additional dimensions. Courts across the nation, as well as in England, have begun to acknowledge a new category of estoppel known as promissory estoppel.

The Central London Property Trust Ltd. vs. High Trees<sup>10</sup> case stated and applied the rule that once one party has given the other a promise or assurance through words or conduct that was meant to affect "their legal relations and to be acted on accordingly," and the other party has taken him at his word and acted on it, the party who gave the assurance or promise cannot later be permitted to resume their previous relationship as if nothing ever happened. However, that concept does not give rise to any new causes of action, thus if a promise is made without being accompanied by consideration, the promisee cannot make a claim based on the promise. The rule established by these decisions unquestionably advances the cause of justice, thus we accept it without hesitation.

### **Case Law - India**

In Durga Prasad vs. Baldeo,<sup>11</sup> the Supreme Court observed that when one party has made a clear and unequivocal promise to the other through words or conduct that is intended to create legal relations or effect, a legal relationship to arise in the future, knowing or intending that the

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<sup>10</sup> [1947] K.B. 130

<sup>11</sup> (1880) 3 All 221, OLDFIELD J

other party would act upon the promise, and the other party does so, the promise is binding on the party making it, and he would not be entitled to back out of it if it would be unfair to do so.

### **Jurisprudence Behind The Doctrine**

Promissory estoppel is an equitable legal theory. It is discretionary, like other equitable remedies, as opposed to a common law absolute right, such as the right to damages for contract breach. Various names for the doctrine include "promissory estoppel," "equitable estoppel," "quasi estoppel," and "new estoppel." Though frequently referred to as "promissory estoppel," it is a notion that equity is developed to prevent injustice and does not fall under either the purview of contracts or estoppel.

Estoppel is a rule of equity, and the English Courts of Equity apply it. The Indian Evidence Act, 1872's section 115's prerequisites must be met for the doctrine to be applied, though, as the rule of estoppel is a rule of evidence. The theory of promissory estoppel is not covered by section 115 since that section deals with assertions made regarding facts, whereas promissory estoppel is concerned with promises made in the future. The doctrine's implementation would be contrary to Article 299 of the Constitution, which exempts the promise-maker or assurance-giver from personal culpability.

### **MERE EXPECTATION**

Similar to the doctrines of reasonable expectations or promissory estoppel, the phrase "doctrine of mere expectations" is not a well-established or acknowledged legal doctrine. The phrase "mere expectations" often refers to circumstances when a person or organisation has specific hopes or views about the future but does not have a legally binding promise or right. Legal rights or responsibilities are not established by mere hopes. They are essentially a party's speculative hopes or beliefs regarding potential future events, but they do not give rise to legally binding claims. Simple expectations are not predicated on explicit or specific guarantees from another party, unlike promissory estoppel, which demands an unequivocal commitment. As was previously said, administrative and public law recognise legitimate expectations, particularly when dealing with instances where government agencies are involved. They appear when there is an unambiguous promise, representation, or accepted practice, and they are frequently based on the concepts of justice and equity. They are the arbitrary ideals and aspirations that an individual or thing holds. Although they might influence a person's choices

or behaviours, they don't have the same legal standing as commitments, agreements, or rights that are enforceable.

Therefore, the idea of "mere expectations" generally refers to the notion that not all expectations or views about the future result in rights or responsibilities under the law. It emphasises how crucial unambiguous, legally enforceable promises, representations, or established practices are when trying to establish enforceable rights in a court of law.

### **Case Laws**

In contrast to legitimate expectations or promissory estoppel, the "mere expectation doctrine" is not a well-established or commonly accepted legal doctrine. Courts ordinarily refrain from making decisions or prescribing remedies based only on expectations because such expectations lack the legal prerequisites for enforceability. Consequently, it is difficult to locate a particular case law that relates to this idea. Instead, situations involving expectations or assumptions regarding future events typically come under different legal doctrines or principles, like legitimate expectations, classical contract law, or promissory estoppel. It's crucial to speak with a legal expert who can offer advice based on the relevant legal principles and precedents in your jurisdiction if you have a particular case or circumstance in mind that you think might pertain to "mere expectations."

### **CONCLUSION**

To comprehend how legal doctrines and principles apply in various legal circumstances, it is essential to appreciate the differences between legitimate expectations, promissory estoppel, and mere expectations. Legitimate expectations act as the cornerstone for administrative law's justice and equity, preventing the government from taking actions that unfairly frustrate legitimate expectations. On the other hand, promissory estoppel is a potent instrument in legal conflicts that protects promises when they are backed by obvious and reasonable reliance, regardless of formal contracts. It is crucial to make clear pledges and guarantees to establish legally binding rights, as contrasted with simple expectations, which are based on subjective assumptions about the future. By highlighting the complex interplay between the law and expectations, these distinctions help people and organisations navigate the legal system with a better knowledge of their rights and obligations.



The divisions between enforceable rights and responsibilities are made with legitimate expectations, promissory estoppel, and merely expectations. Promissory estoppel bridges the gap between formal contracts and oral commitments, protecting reliance and fairness in contractual relationships. Legitimate expectations offer a defence against arbitrary administrative actions. Simple expectations highlight the value of concrete promises to establish legal rights because of their pure subjectivity. Together, these ideas emphasise the need for unambiguous promises, reasonable reliance, and fair principles as they live and interact within the legal system, ensuring that justice, equity, and predictability continue to be fundamental legal notions.

