

Quasi Contracts- Provisions of quasi contracts (Section 68-72)

The definition of quasi-contracts is not given in the **Indian contract act**, but its provisions are covered under **section 68 to section 72 of the Indian contract act**. Quasi-contracts are the mixture of two words which are “Quasi” and “Contract”. Quasi means the partly or almost and contract means any agreement which is enforceable by law. In the quasi-contract, the proposal and acceptance are missing but they are still enforceable by law.

Quasi-contract meaning

Quasi-contracts are exceptional **types of contracts** in which, one party is legally bound to pay the money in **consideration** of something done or suffered by another party not based on the actual promises.

In simple words, quasi-contracts are such types of contracts that bound the one party to pay the consideration to another person who has done something to fulfil his necessity.

Quasi-contract example

Ram is a lunatic person and Shyam is his friend. Shyam delivers the necessary food and other supply for Ram and his family. Now, according to the quasi-contract, Shyam is entitled to be reimbursed from Ram’s property.

This is an example of a quasi-contract. There is no proposal and acceptance but still, it is enforceable by law. In the quasi-contract, the one person provides the basic necessity to another person or do any work which is defined in section 68 to 72 of the Indian contract act, that person is entitled to take the consideration from the person to whom he provides the basic necessity.

Elements of a Quasi Contract

There are various **types of contracts** that follow the **essentials of a valid contract** which makes the contract a **valid contract** but, the Elements of a Quasi Contract are different from the simple contract. There are fewer requirements for Quasi Contracts. In quasi-contracts, there is no **proposal** and **acceptance** in the quasi-contracts. There is just considered that made this enforceable by law. The four **main elements of a quasi-contract** are:

- The plaintiff must-have pieces of evidence of the goods or services which he provided to the defendant and his family.
- The defendant must have taken the benefit from the goods and services provided by the plaintiff.
- A defendant must have accepted the goods or services under the unfair circumstances
- The plaintiff must not have compensated for the services and goods provided by him.

The court plays its role in the cases of quasi-contract for the reimbursement of the plaintiff.

When quasi-contract arises?

The quasi-contracts arise when:

- One person has done something for another person or
- The person paid the money on the behalf of another third party

In these two situations, the court plays its role on the ground of “**equity**”. According to the court, the person who is receiving the benefits, due to the person, must compensate that person otherwise he would become rich on the expenses of the other person.

For example, Ram is a lunatic person and Shyam is his friend. Shyam delivers the necessary food and other supply for Ram and his family. Now, the Ram must compensate the Shyam for his work. He has to pay the consideration which Shyam spent on him and his family.

Features of quasi-contracts

There are mainly three **features of the quasi-contracts**:

- **It is a right to a sum of money**

The person done a payment on the behalf of one person who was liable to pay that money.

- **The right is imposed by the law, not by any agreement between the parties**

A quasi-contract is not made by any agreement between the two parties but the quasi-contract arises due to the law.

- **The right is available only against the particular person or persons**

The person can ask for reimbursement from the person or his family to whom he has supplied the basic necessities.

Provisions of quasi-contracts (Section 68-72)

Now, let us discuss the provisions of the contracts given under the Indian contract act:

Section 68 of the Indian contract act

Section 68 talks about the claim for necessaries supplied to the person or his family who is not capable to contract.

It means, if one person (capable) helps the other person (who is not capable of entering into the contract) by **providing him necessary** things that are **suited to his conditions in life**, that person (capable) is entitled to be reimbursed from the other person's property (incapable person's property).

For example, A and B are both partners in a company. The company took the losses and due to this, A becomes a lunatic. Now, the B takes care of him and his wife and husband, till the A becomes able to support his family. Here, according to section 68 of the Indian contract act, B is entitled to take that money from the property of A which he spent on them to provide the necessary things (suited to their conditions in life).

Section 69 of the Indian contract act

Section 69 of the Indian contract act talks about the reimbursement of a person who pays the money due by another person, in the payment of which he is interested. This section gives some conditions which are:

- There must be the interest of the person in the payment
- The other person should be bound to pay that money
- The person who has interested in the money must pay that money on the behalf of another person.

If these three conditions are met in the case, the person who paid the money is entitled to reimbursement.

Let us understand this section with an **example**. The A own three shops in a market in which one shop is on rent to B. C had given \$30000 to A and now he asks him to pay his debt by selling all his shops. Now, B has an interest in that property as he owns a rented shop. So, the B pays the A's full debt. Now, B is entitled to reimbursement from A's property.

Section 70 of the Indian contract act

Section 70 of the Indian contract act deals with the obligation of a person who is enjoying the benefit of a **non-gratuitous act**. This means, if a person enjoys the benefits of the non-gratuitous act done by another person, the person who enjoyed the benefits is liable to compensate for that.

For example, A appoints B to deliver his good to C but due to the wrong address, B delivers the good to D. D took the benefits of that goods. Now, the D is liable to pay the compensation for the goods he enjoyed.

This section gives some conditions which are:

- **A person should do something lawfully for another person**

The person who is delivering something must be done lawfully for the person

- **The other person should enjoy the benefits of the goods**

The person who has received the goods should have enjoyed the benefits from that goods. But if he is not enjoyed the benefits, and gives back the goods, he is not entitled to pay any compensation for the same.

- **The act must not be Gratuitous Act**

It is a most important point of this section that the act done by the person must not be a gratuitous act. There must be the intention to expect payment for the same on doing some act.

Let's take the example for this. Ankit saves Mohan's house from fire. Ankit is not entitled to take the compensation from Mohan if the circumstances show that Ankit intended to do the act gratuitously.

Section 71 of the Indian contract act

Section 71 of the Indian contract act talks about the responsibility of the person who found the goods. According to this section, if a person finds the goods which belong to another person, and the person takes those goods into his custody, the position of the finder of goods will be the same as the **bailee under the contract of bailment**.

The finder of goods is entitled to take the expenses that occurred to him due to the custody of the goods and expenses to deliver the goods to the real owner of the goods.

Section 72 of the Indian contract act

Section 72 of the Indian contract act gives the idea about the liability of the person to whom the goods were delivered by mistake or coercion. According to the section, if a person receives the money for any goods by **mistake or coercion**, the person is **liable to return that money or goods** to its owner.

For example, A and B took a mutual loan of \$5000 from the bank. They both are liable to pay half of their shares (\$2500 each). But A becomes a good contractor and made lots of profit so he pays the full amount in the bank. The B comes to the bank and pays his \$2500 to the bank without knowing that A has already paid the amount. Now, the bank is liable to return the money to B.

Unjust Enrichment

Unjust Enrichment means when a person unfairly received benefits from the goods and services of another person. The Unjust Enrichment term is used in the quasi-contract.

“Nemo debet locupletari ex aliena jactura”

This maxim somehow deals with the **quasi-contracts** which means that **no one should be enriched by another's loss**.

Difference between contract and quasi-contracts

The quasi-contracts are different from the normal contract on some points:

- A contract is a real agreement between two or more parties whereas, a quasi-contract is not an agreement between the parties. It resembles the contract.
- Under the contract, both the parties to the contract give their **free consent** for the contract whereas, in the quasi-contract, there is no consent of the parties.
- Under the simple contract, the liability exists only basis on the conditions mentioned in the contract whereas, in quasi-contract, the liability comes into existence through the conduct of the parties that is based on morality and natural justice.
- The parties to the simple contract are interested in a contract voluntarily whereas the quasi-contracts are imposed by law.
- Normal contracts deal with both rights in Rem and rights in Personam but the quasi-contracts are only dealt with rights in Personam which means these contracts are deals with a specific person.

Conclusion

The quasi-contracts are holding a very important place in the Indian contract act. The quasi-contracts are based on the morality and principle of natural justice. These contracts give relief to the plaintiff whenever the person enjoy the benefits of the services and goods provided by the plaintiff.

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