

# Corporate Laws

BBA(FIA)

Lecture 12

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Quasi-contract

Constructive Contracts

Certain Relations Resembling Those Created By  
Contracts

# Quasi-contract



Quasi contract is a contract in which there is no offer, no acceptance, no consensus ad-idem and even no intention on the part of parties to enter into a contract.

The law imposes an obligation to the party to perform there duties or to reimbursed the other party because **a person shall not be allowed to enrich himself unjustly at the expense of the other** i.e., “Doctrine of unjust enrichment”

The Indian Contract Act, 1872 deals with ‘quasi - contractual obligation’ under section 68-72.

# **Claim For Necessaries Supplied to a Person Incapable of Contracting or on His Account**

## **Sec.68**



- If any person who supplies necessaries to a person who is incapable of contracting or on his account, so, the person who supplied necessaries is entitled to get claims from that person.
- Contracting with lunatics , minors etc. are void ab-initio, but Sec.68 makes an exception to this rule.
  1. No personal liability
  2. The things supplied must come within the category of necessaries.
  3. Supplied only to such incompetent person or to someone whom he is legally bound to support
  4. Incompetent person's property is liable to pay only a reasonable price

# Reimbursement of person paying money due by another, in payment of which he is interested

## Sec.69



### Conditions:

1. The plaintiff should be **interested** in making the payment in order to protect his own interest and payment should not be voluntary one.
2. The payment must be such as the other party was bound to **pay by law**.
3. The payment must not be such as the plaintiff self was bound to pay. Should only be interested in making payments.

### ■ Illustration:

A & B have been fined jointly Rs. 500 for adulterated food. A alone pays the full amount of fine in good faith. A cannot later claim from B. Though B is also bound to pay but A can't recover the amount because he is jointly liable to pay. He is not interested only in making payment.

# Obligation of Person Enjoying Benefit of Non-gratuitous Act Sec.70



- Where a person lawfully does anything for another person, or delivers anything to him, not intended to do so gratuitously, and such other person enjoys the benefit thereof, the latter is bound to make compensation to the former in respect of the things done or delivered.
- Conditions:
  1. Thing must have been done lawfully in good faith.
  2. No intention to act gratuitously i.e., intention of being paid
  3. Person for whom the act is done must have enjoyed the benefit of act.

## Illustration:

- A, a tradesman leaves good at B's house by mistake. B treats the goods as his own. He is bound to pay A for them.

# Responsibility of Finder of Goods

## Sec.71



- Duties of finder of goods:
  1. He must try to find the real owner of the goods
  2. Must not use the property for their own use.
  3. If real owner is traced, he must restored the goods to him on demand.
  4. Take care of the goods as his own, sec.151
- If he does not so he will be guilty of criminal mis-appropriation of the property under section 403 of Indian penal code.
- Right of finder of goods:
  1. Till the true owner is found out, he can retain possession of the goods against everybody in the world.
  2. He is entitled to receive from the true owner, all expenses incurred by him to find the owner.
  3. He has a lien on the goods for the money that spent i.e., he can refuse to return the goods until these moneys are paid.
  4. He is not entitled to file a suit for the recovery of such sums, but he can file suit against the owner for any rewards.

# Entitlement to Sell the Goods by Finder of Goods



- The finder of the goods is entitled to sell the goods if:
  1. The true owner cannot be found out or
  2. He refuses to pay the lawful charges to the finder.
  
- In the following two situations only:
  1. If the goods is of perishable nature or losing the greater part of the value.
  2. When the lawful charges of the finder, amount to at least two third of the value of the goods found.
  
- The true owner is entitled to get the balance of the sale proceeds, if there is a surplus after meeting the lawful charges.
  
- No one except the owner of the goods can claim the possession of the goods from the finder.



# **Liability of a person to whom the money is paid, or goods delivered by mistake or under pressure. Sec. 72**



“A person to whom the money has been paid, or goods delivered by mistake or under coercion, must repay or return it.”

## **Illustrations:**

A and B jointly owe Rs. 100 to C. A alone pays the amount to C, B without knowing the fact again pays to C. C is bound to repay the amount to B.

## **Exception:**

1. Payment of Time barred debt
2. Deliberate disregard of law: money paid with full knowledge that contract has become void

# Suit for Damages



In quasi contract the suit for damages for the breach of the contract is treated under sec. 73 as treated in complete contract.



THANK YOU