

# UNIT 4 – UPSC - Quasi Contract

Sections 68 to 72 deals with "certain relations resembling those created by contract" under Indian contract act, 1872. It incorporated those obligations which are known as "quasi contracts" under English law. It covers cases where the obligation to pay arises neither on the basis of a contract nor a tort, but a person has obtained an unjust benefit at the cost of another.

The quasi-contractual obligations are based on the principle that law as well as justice should try to prevent unjust enrichment means enrichment of one person at the cost of another or to prevent a man from retaining the money of, or some benefits derived from, another which it is against conscience that he should keep.



## Thus the principle of unjust enrichment requires:

- 1st that the defendant has been 'enriched' by the receipt of a benefit :
- 2nd that this enrichment is at the expense of the plaintiff: and
- 3rd that the retention of unjust of the enrichment is unjust [mahabir kishore vs. state of M.P.,AIR.(1990)S.C.313]

Strictly speaking, a quasi-contract is not a contract at all. A contract is intentionally entered into. A quasi -contract, on the other hand, is created by law. In an American case MILLER VS. SCHLOSS,918N.Y.400,N.E.337, it was observed: "In truth it is not a contract at all. It is an obligation which the law creates in the absence of any agreement, when the acts of the parties or others have placed in the possession of one person, money or its equivalent, under such circumstances that in equity and good conscience he ought not retain it, and which ex aequo et bono (in justice and fairness) belongs to another".