



“बेटी बचाओ, बेटी पढ़ाओ”

JAYOTI VIDYAPEETH WOMEN'S UNIVERSITY, JAIPUR

(Format for Preparing E Notes)

Faculty of Law and Governance

Faculty Name- JV'n Ms. Pratibha

Program- LLB, Semester 1st

Course Name - Contract

Session No. & Name – 2023-2024

Academic Day starts with –

Greeting with saying ‘Namaste’ by joining Hands together following by 2-3 Minutes Happy session, Celebrating birthday of any student of respective class and National Anthem.

Lecture Starts with-

Review of previous Session

National song’ **Vande Mataram’**

Subject Name – Contract

Topic - Quantum meruit

Introduction

When parties enter into a contract there is a possibility for the breach of the contract and breach of a contract can happen due to many reasons. For any breach of a contract to happen, it is necessary that the remedies should also be made or should be given by any Court. Out of five remedies which are available to the aggrieved party, one is a suit upon quantum meruit.

Applying this remedy in a suit requires a thorough understanding and essence of quantum meruit. Also, one should be aware of the usage of quantum meruit as to when and where can this be applied or when it can be used by the aggrieved party.

Meaning of Quantum meruit

Quantum meruit is a Latin phrase and is related to the Indian Contract Act, 1872.

It means “what one has earned” or “as much as he has earned”. In simpler terms, it refers to the actual value of the services rendered or performed.

Even if there is no specific contract this law implies a promise to pay a reasonable amount for the labour and material furnished.

The Black Law Dictionary states that quantum meruit means “as much as one deserves”.

Theory of quantum meruit

Quantum meruit involves cases where someone gets a benefit while the other party gets nothing. In contracts, this refers to the benefit or enrichment which one party receives as a result of the other party's actions.

In other words, it means that the other party who has received the services is unjustly benefited and must return it to the party who provided such benefit.

For example, ‘S’ is the daughter and ‘M’ is the father. They entered into an agreement where ‘M’ asked ‘S’ to provide medical care for him while he was sick. In return, ‘M’ agreed not to

write a will and agreed to give his estate to 'S' after he dies with an intent to give her a fair portion for the services rendered. However, 'M' soon died, leaving all of the estates for his brother and nothing for 'S'. Here 'M' was unjustly enriched as he received the services but in return 'S' received nothing.

In this example, 'S' seeks to recover a portion of "M's" estate by claiming the remedy of quantum meruit. This principle is based upon the idea that recovery should be granted to one party where they have not received the value for the services they rendered or when another party was unfairly and unjustly enriched.

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Section 65 of the Indian Contract Act, 1872 talks about the circumstance that where work has been done in the execution of the contract but later it is discovered that the contract is void or it becomes void.

Where a person enjoys the benefit of a non-gratuitous act (given or received without payment but where the party was obliged to pay) despite the fact that there is no express agreement between the parties, then the person who has enjoyed the benefit has to compensate the other party or restore the thing so delivered.

For example, 'D' a vendor leaves his goods at "J's" shop by mistake and 'J' treats them as his own goods without paying anything. Here 'J' is bound to pay 'D' for the goods he left.

When the contract is implied or expressed to render services but there is no agreement with regard to remuneration – In such a case, a reasonable remuneration is payable and what is a reasonable remuneration will be determined by the Court and this reasonable remuneration is the quantum meruit. This concept is explained under Section 70 of the Indian Contract Act, 1872.

Where the contract is divisible, and a party to the contract has done its part, he may sue other parties who have not performed for quantum meruit.

This rule even applies to a person who is claiming quantum meruit and himself is guilty of the breach of the contract, but the following two conditions should be fulfilled for that:-

The contract must be divisible

The other party must have enjoyed the benefit of the part which has been performed, although he had the option of declining it.

For example, Chena agreed to construct a house for David for ₹10,00,000 but in midway, she abandoned the contract after having done the work worth ₹4,00,000. Afterwards, David somehow got the work completed. Here, Chena could not recover anything for the work she has done, as she was entitled to the payment only on completion of the work which apparently she could not do.

Where the contract is indivisible and performed in a bad way- the party at default can claim a lump sum amount and can reduce the amount for the bad work done if the following conditions are fulfilled:-

The contract should be indivisible,

The contract should be for a lump sum,

The contract should be completely performed and,

The contract was performed badly.

For example, Raju agreed to construct a house for Pinku for a lump sum of ₹5,00,000. Raju did complete the work but Pinku complained of fault in the work done by him. It cost Pinku another ₹1,00,000 as a remedy to the defect. In this example, Raju could only recover ₹4,00,000 from Pinku by reducing the amount of bad work done.

Quantum Meruit vs. Unjust Enrichment

It is very common for people to get confused between the two concepts. Both the concepts discuss the aim of preventing one party to perform the contract and the person preventing the other takes advantage of the services received without even paying for their values.

The difference between the two concepts is that the unjust enrichment deals with issues where there is a failure to pay for the services and quantum meruit deals with such issues where the fair or reasonable amount should be paid.

To be successful in a suit upon quantum meruit, the service provider i.e. plaintiff must prove that the receiver of the services i.e. defendant agreed to the provided services, knowing that he has to pay the plaintiff for the services provided and that the defendant was unjustly enriched, which means he received something for nothing. In simpler terms, it means that he received for the services but did not pay in return, which was not the agreement.

The amount given in a suit upon quantum meruit, especially where there is no written contract specifying an amount, is generally based on the fair market value for the services rendered.

Case laws

Planche vs Colburn [1831] EWHC KB J56

In this case, the plaintiff entered into an agreement to write a book for the defendant.

On completion of the work, 100 pounds was agreed to be paid. The plaintiff started writing the book and completed a large portion of it. Afterwards, the defendant decided not to proceed with the work and refused to pay money to the plaintiff, even though the plaintiff was ready and willing to perform the work.

It was held that the plaintiff is entitled to claim the money as the defendant has refused to perform his part of the contract.