



Quantum Meruit as a Remedy for Unjust Enrichment: A Legal Study

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ABSTRACT

The doctrine of quantum meruit represents a significant equitable remedy in contract law, allowing a party to recover reasonable compensation for services rendered or work done when a contract either does not exist, becomes void, or is unenforceable. Rooted in the broader principle of unjust enrichment, quantum meruit ensures that no individual benefits at the expense of another without providing fair compensation. This research paper examines the conceptual framework, scope, and application of quantum meruit as a remedy against unjust enrichment, with particular emphasis on the Indian legal system under the Indian Contract Act, 1872. It also explores the evolution of the doctrine through judicial interpretation in both Indian and English law, highlighting its relevance in contemporary contractual relationships. The study argues that while quantum meruit serves as a vital tool for achieving justice, its application is often limited by rigid legal interpretations and procedural complexities, necessitating a more flexible and principled approach in modern jurisprudence.

1. Introduction

Contract law is traditionally governed by the principle that obligations arise from agreements voluntarily entered into by the parties. However, there exist numerous situations in which one party confers a benefit upon another in the absence of a valid or enforceable contract, raising questions of fairness and equity. In such circumstances, the law intervenes to prevent unjust enrichment by ensuring that the party who has received the benefit compensates the party who has provided it. The doctrine of quantum meruit operates

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as a key mechanism in this regard, enabling recovery of reasonable remuneration for services rendered or work performed.

The term quantum meruit, meaning “as much as he has earned,” reflects the equitable nature of the remedy. It does not depend on the existence of a valid contract but rather on the principle that it would be unjust for one party to retain a benefit without paying for it. This doctrine is closely associated with the concept of restitution, which seeks to restore the aggrieved party to the position they would have been in had the unjust enrichment not occurred. In the Indian context, the doctrine finds statutory recognition under Section 70 of the Indian Contract Act, 1872, which provides for compensation for non-gratuitous acts.

The importance of quantum meruit has increased significantly in modern legal systems, particularly in complex commercial transactions where contracts may be incomplete, terminated, or rendered void due to various factors. This paper seeks to analyze the doctrine of quantum meruit as a remedy for unjust enrichment by examining its conceptual foundations, historical evolution, and scope of application. It also aims to evaluate the limitations of the doctrine and its relevance in addressing contemporary legal challenges.

2. Conceptual Framework of Quantum Meruit and Unjust Enrichment

The doctrine of quantum meruit is fundamentally rooted in the principle of unjust enrichment, which holds that no person should be allowed to benefit at the expense of another without providing adequate compensation. This principle is based on considerations of equity and fairness and operates independently of contractual obligations. It applies in situations where one party has received a benefit, and it would be unjust for that party to retain the benefit without compensating the provider.

Unjust enrichment consists of three essential elements: first, the defendant must have been enriched by receiving a benefit; second, the enrichment must have been at the expense of the plaintiff; and third, it must be unjust for the defendant to retain the benefit without payment. The doctrine of quantum meruit serves as a remedy to address such situations by allowing the plaintiff to recover the reasonable value of the benefit conferred. Unlike contractual remedies, which are based on the terms of the agreement, quantum meruit is concerned with the value of the services rendered rather than the agreed price.

The relationship between quantum meruit and unjust enrichment is particularly significant in cases where a contract is void, unenforceable, or has been discharged. In such cases, the law recognizes that although the contract cannot be enforced, the benefit conferred should not go uncompensated. This reflects a shift



from a purely contractual approach to a more equitable framework that prioritizes fairness over strict legal formalities.

The doctrine also plays an important role in preventing exploitation and ensuring fairness in situations where one party performs work or provides services with the expectation of payment, but no formal agreement exists. By allowing recovery based on the reasonable value of the work, quantum meruit ensures that the provider is not left without remedy, thereby reinforcing the principles of justice and equity in contract law.

3. Historical Development

3.1 English Law Perspective

The doctrine of quantum meruit has its origins in English common law, where it developed as part of the broader law of restitution. Initially, the common law courts were reluctant to recognize claims that did not arise from express contracts. However, over time, the courts began to acknowledge that certain situations required equitable intervention to prevent unjust enrichment. This led to the development of quasi-contractual remedies, including quantum meruit.

In early English law, claims for quantum meruit were brought under the action of assumpsit, which allowed recovery for services rendered in the absence of a formal contract. The courts recognized that when one party performed work or provided services at the request of another, there was an implied promise to pay a reasonable amount for those services. This implied obligation formed the basis of quantum meruit claims.

The development of the doctrine was further refined through judicial decisions that emphasized the importance of fairness and equity. Courts began to distinguish between situations where services were provided gratuitously and those where payment was expected. In cases where the services were rendered with the expectation of payment and were accepted by the defendant, the courts allowed recovery on a quantum meruit basis. This approach laid the foundation for the modern doctrine of unjust enrichment.

3.2 Indian Law Perspective

In India, the doctrine of quantum meruit is primarily governed by Section 70 of the Indian Contract Act, 1872, which provides that when a person lawfully does anything for another person or delivers anything to him, not intending to do so gratuitously, and the other person enjoys the benefit thereof, the latter is



bound to compensate the former. This provision embodies the principle of unjust enrichment and provides a statutory basis for quantum meruit claims.

The Indian judiciary has played a crucial role in interpreting and applying Section 70, often drawing upon English law principles while adapting them to the Indian context. Courts have emphasized that the provision applies only when the act is lawful, non-gratuitous, and results in a benefit to the defendant. These conditions ensure that the doctrine is applied in a controlled and principled manner, preventing its misuse.

Indian courts have also recognized quantum meruit as a remedy in cases involving void contracts, contracts discovered to be void, and contracts that have been partially performed. In such cases, the courts have allowed recovery for the value of the work done or services rendered, even though the contract itself may not be enforceable. This approach reflects a commitment to equity and fairness, ensuring that parties are not unjustly enriched at the expense of others.

4. Scope of Quantum Meruit as a Remedy

The scope of quantum meruit as a remedy for unjust enrichment is broad and encompasses a variety of situations in which one party has conferred a benefit upon another without receiving adequate compensation. One of the primary areas in which the doctrine is applied is in cases where a contract is discovered to be void or becomes void after partial performance. In such situations, the law recognizes that although the contract cannot be enforced, the party who has performed part of the contract should be compensated for the value of the work done.

Another important area of application is in cases of breach of contract, particularly where one party prevents the other from completing their performance. In such cases, the aggrieved party may choose to treat the contract as discharged and claim compensation on a quantum meruit basis for the work already performed. This provides an alternative remedy to damages and allows the plaintiff to recover the reasonable value of their services.

Quantum meruit also applies in situations where services are rendered without a formal contract but with the expectation of payment. For example, when a person provides professional services at the request of another, the law implies an obligation to pay a reasonable amount for those services. This ensures that individuals who provide valuable services are not deprived of compensation simply because no formal agreement exists.



Furthermore, the doctrine is applicable in cases involving divisible contracts, where the performance of the contract can be separated into distinct parts. In such cases, a party who has performed part of the contract may be entitled to payment for that part, even if the entire contract has not been completed. This reflects a flexible approach that recognizes the realities of contractual performance and seeks to achieve a fair outcome.

5. Judicial Application of Quantum Meruit

The doctrine of quantum meruit has been extensively developed through judicial interpretation in both English and Indian legal systems, where courts have applied the principle to ensure equitable outcomes in cases involving unjust enrichment. The application of the doctrine is largely fact-specific, and courts carefully examine the circumstances to determine whether the essential elements of unjust enrichment are satisfied. Judicial decisions have played a pivotal role in clarifying the scope and limitations of quantum meruit, thereby shaping its contemporary understanding.

In English law, one of the foundational cases illustrating the application of quantum meruit is *Planche v. Colburn* (1831), where the plaintiff was commissioned to write a book but was prevented from completing it due to the defendant's actions. The court held that the plaintiff was entitled to recover reasonable remuneration for the work already done, thereby recognizing the principle that a party who is prevented from completing their contractual obligations by the other party may claim compensation on a quantum meruit basis. Similarly, in *Craven-Ellis v. Canons Ltd* (1936), the court allowed recovery for services rendered under a contract that was later found to be void, emphasizing that the absence of a valid contract does not preclude a claim for reasonable remuneration when a benefit has been conferred.

Indian courts have also consistently applied the doctrine of quantum meruit to prevent unjust enrichment and to ensure fairness in contractual dealings. In *State of West Bengal v. B.K. Mondal and Sons* (1962), the Supreme Court of India held that the government was liable to compensate the plaintiff for construction work carried out without a formal contract, as it had enjoyed the benefit of the work. The court emphasized that Section 70 of the Indian Contract Act, 1872, is based on the principle of unjust enrichment and applies when the conditions specified in the provision are satisfied. This case remains a landmark authority on the application of quantum meruit in India.

Another significant case is *Mulamchand v. State of Madhya Pradesh* (1968), where the Supreme Court reiterated that even when a contract is void due to non-compliance with statutory requirements, a claim



for compensation may still be maintained under Section 70, provided that the work was lawfully done and the benefit was enjoyed by the defendant. These decisions demonstrate the judiciary's commitment to ensuring that technical defects in contractual formation do not result in unjust enrichment.

At the same time, courts have exercised caution in applying the doctrine, particularly in cases where the services were rendered gratuitously or where the plaintiff fails to establish that the benefit was accepted by the defendant. The requirement that the act must be non-gratuitous and that the benefit must be voluntarily accepted ensures that the doctrine is not applied indiscriminately. Thus, judicial application of quantum meruit reflects a careful balance between equitable considerations and the need to prevent misuse of the doctrine.

6. Limitations of Quantum Meruit

Despite its importance as an equitable remedy, the doctrine of quantum meruit is subject to several limitations that restrict its application. One of the primary limitations is that the doctrine applies only when the services rendered were not intended to be gratuitous. If a person performs an act without expecting payment, they cannot subsequently claim compensation on a quantum meruit basis. This requirement ensures that the doctrine is grounded in the expectation of remuneration and not in voluntary or charitable acts.

Another significant limitation is that the doctrine requires the defendant to have enjoyed or accepted the benefit of the services rendered. Mere performance of an act by the plaintiff is not sufficient; it must be shown that the defendant has derived some benefit from the act. This condition prevents claims in situations where the benefit was not actually received or was imposed upon the defendant without their consent. The emphasis on voluntary acceptance ensures that the doctrine is applied only in cases where it would be unjust for the defendant to retain the benefit without payment.

The doctrine is also limited by the existence of an express contract governing the relationship between the parties. When a valid and enforceable contract exists, the rights and obligations of the parties are determined by the terms of the contract, and a claim for quantum meruit is generally not permitted. However, exceptions arise in cases where the contract has been discharged, becomes void, or is terminated due to breach. In such cases, quantum meruit may be invoked as an alternative remedy.

Furthermore, the measure of compensation under quantum meruit is based on the reasonable value of the services rendered, which may differ from the contractual price. This may lead to uncertainty and disputes



regarding the appropriate valuation of the benefit. Courts often rely on evidence such as market rates, expert testimony, and the nature of the work performed to determine the quantum of compensation. While this approach allows for flexibility, it may also result in inconsistent outcomes.

Another limitation is that the doctrine does not apply in cases where the plaintiff is in breach of the contract, unless the breach is not fundamental and the defendant has accepted partial performance. In such cases, the courts may allow recovery to the extent of the benefit conferred, but the plaintiff may not be entitled to full compensation. This reflects the principle that a party should not be allowed to benefit from its own wrongdoing while still ensuring that the defendant does not unjustly retain the benefit.

7. Relationship with Restitution and Unjust Enrichment

The doctrine of quantum meruit is an integral part of the broader law of restitution, which is concerned with reversing unjust enrichment and restoring parties to their rightful position. Restitutionary remedies differ from contractual remedies in that they focus on the gain obtained by the defendant rather than the loss suffered by the plaintiff. Quantum meruit, in particular, aims to quantify the value of the benefit conferred and to ensure that the defendant does not retain it without paying for it.

The concept of unjust enrichment provides the theoretical foundation for restitutionary remedies, including quantum meruit. As previously discussed, unjust enrichment requires the presence of three elements: enrichment of the defendant, at the expense of the plaintiff, and circumstances that make the enrichment unjust. Quantum meruit operates as a practical mechanism for enforcing this principle by allowing recovery of the reasonable value of services rendered.

In modern legal theory, the law of unjust enrichment has gained recognition as an independent branch of private law, distinct from contract and tort. This development has influenced the interpretation and application of quantum meruit, as courts increasingly view it as part of a broader framework of restitution rather than merely a quasi-contractual remedy. This shift has important implications for the scope and application of the doctrine, as it allows for a more principled and coherent approach to cases involving unjust enrichment.

The relationship between quantum meruit and restitution is particularly evident in cases where a contract is void or unenforceable. In such cases, the law does not enforce the contract but instead provides a restitutionary remedy to prevent unjust enrichment. This reflects a shift from a formalistic approach to a more equitable framework that prioritizes fairness and justice.



8. Quantum Meruit in Modern Commercial and Digital Contexts

The relevance of quantum meruit has expanded significantly in the context of modern commercial transactions and digital economies, where contractual relationships are often complex, informal, or incomplete. In industries such as construction, infrastructure, and services, disputes frequently arise regarding payment for partially completed work, variations in contract terms, and termination of contracts. Quantum meruit provides a flexible remedy in such situations, allowing parties to recover reasonable compensation even in the absence of a fully enforceable contract.

In the digital economy, the doctrine assumes new significance as services are increasingly provided through online platforms, often without formal agreements or with standardized terms that may not address all contingencies. For example, freelancers, consultants, and service providers may perform work based on informal arrangements, raising questions about compensation in the absence of clear contractual terms. Quantum meruit offers a mechanism for resolving such disputes by focusing on the value of the services rendered rather than the existence of a formal contract.

The doctrine also plays a role in addressing issues related to unjust enrichment in cases involving data, intellectual property, and digital services. As the nature of economic transactions evolves, the law must adapt to ensure that individuals and entities are not unjustly enriched at the expense of others. This requires a flexible and context-sensitive approach to the application of quantum meruit, taking into account the unique characteristics of digital transactions.

However, the application of the doctrine in modern contexts also presents challenges, particularly in determining the value of services and in establishing the existence of a benefit. The intangible nature of many digital services and the global nature of transactions complicate the assessment of compensation and the enforcement of claims. These challenges highlight the need for further development of legal principles and frameworks to address the complexities of the modern economy.

9. Critical Analysis

The doctrine of quantum meruit serves as an essential tool for achieving fairness in contract law by ensuring that parties are compensated for the value of services rendered, even in the absence of a valid contract. However, its application is not without challenges and limitations. One of the key issues is the lack of clarity and consistency in the application of the doctrine, particularly in determining the circumstances in which it may be invoked and the appropriate measure of compensation.



The requirement that the benefit must be accepted by the defendant may, in some cases, lead to unjust outcomes, particularly where the benefit is indirect or where acceptance is implied rather than explicit. Similarly, the distinction between gratuitous and non-gratuitous acts may be difficult to establish, especially in informal or familial relationships. These issues highlight the need for clearer guidelines and principles to ensure consistent and fair application of the doctrine.

Another area of concern is the interaction between quantum meruit and contractual remedies. While the doctrine provides an alternative remedy in certain situations, its relationship with contractual rights and obligations is not always clearly defined. This may lead to uncertainty and disputes, particularly in cases involving partially performed contracts or breaches of contract. A more integrated approach that harmonizes contractual and restitutionary principles may help to address these challenges.

Furthermore, the doctrine may be inadequate in addressing complex commercial disputes involving multiple parties, sophisticated contractual arrangements, and evolving business practices. In such cases, a more comprehensive legal framework that incorporates principles of unjust enrichment, restitution, and contract law may be required to achieve equitable outcomes.

10. Conclusion

The doctrine of quantum meruit plays a crucial role in modern contract law as a remedy for unjust enrichment, ensuring that individuals and entities are compensated for the value of services rendered in the absence of a valid or enforceable contract. Rooted in principles of equity and fairness, the doctrine provides a flexible mechanism for addressing situations where strict adherence to contractual rules would result in injustice. Its statutory recognition under Section 70 of the Indian Contract Act, 1872, and its development through judicial interpretation have established it as a vital component of the legal framework governing contractual and quasi-contractual relationships.

However, the doctrine is subject to several limitations that restrict its applicability, including the requirement of non-gratuitous intent, acceptance of benefit, and the absence of an enforceable contract. These limitations, while necessary to prevent misuse, may also hinder the effective application of the doctrine in certain cases. The increasing complexity of modern commercial and digital transactions further underscores the need for a more flexible and adaptive approach to the doctrine.

In conclusion, while quantum meruit remains an indispensable remedy for preventing unjust enrichment, there is a need for continued development and refinement of the legal principles governing its application.



A more coherent and integrated approach that aligns the doctrine with the broader framework of restitution and unjust enrichment would enhance its effectiveness and ensure that it continues to serve the interests of justice in an evolving legal landscape.

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