

Relations Resembling Contract and Restitution

Indian Contract Act, 1872

Full local statutory text

Finin2min implementation edition

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Finin2min Summary - Chapter in 2 Minutes

Purpose

This unit converts relations resembling contract and restitution into statutory, transaction, evidence and remedy decisions.

Who is covered

Businesses, contracting parties, partners, buyers, sellers, principals, agents and litigants affected by this chapter.

Main obligations

Read the transaction documents and actual conduct against every statutory limb, exception and connected law.

Key timelines

Record event, breach, refusal, notice, acknowledgment and filing dates; apply the correct Limitation Act article.

Forms and evidence

Use the chapter evidence checklist and State/UT forms where registration or public notice applies.

Top risk

Wrong classification, missing authority, weak evidence, ineffective notice, unverified State process or wrong remedy.

Remedy

Preserve rights, mitigate loss, quantify exposure and confirm forum, arbitration, limitation and interim relief.

Finin2min takeaway

Classify - map law - verify authority - prove performance - quantify consequence - select remedy and forum.

Section-by-section provision map

Provision	Title	Status	Decision theme
s.68	Claim for necessities supplied to person incapable of contracting, or on his account	operative	commercial rights and obligations
s.69	Reimbursement of person paying money due by another, in payment of which he is interested	operative	price, payment and financial consequence
s.70		operative	

	Obligation of person enjoying benefit of non-gratuitous act		commercial rights and obligations
s.71	Responsibility of finder of goods	operative	commercial rights and obligations
s.72	Liability of person to whom money is paid, or thing delivered, by mistake or under coercion	operative	validity and consent

Legal status, amendments and source protocol

Act: Indian Contract Act, 1872; Act 9 of 1872; commencement 1 September 1872.

Source protocol: Complete central provision text is reproduced locally. Retained official India Code PDF extract. Official India Code and Gazette instruments prevail if any discrepancy is identified.

Full statutory text and Finin2min decode

Section 68 - Claim for necessities supplied to person incapable of contracting, or on his account

Local statutory-text source control: Retained official India Code PDF extract. [Official India Code source](#) prevails.

Current statutory text

68. Claim for necessities supplied to person incapable of contracting, or on his account.—If a person, incapable of entering into a contract, or any one whom he is legally bound to support, is supplied by another person with necessities suited to his condition in life, the person who has furnished such supplies is entitled to be reimbursed from the property of such incapable person.²

Illustrations

(a) A supplies B, a lunatic, with necessities suitable to his condition in life. A is entitled to be reimbursed from B's property.

(b) A supplies the wife and children of B, a lunatic, with necessities suitable to their condition in life. A is entitled to be reimbursed from B's property.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
Main rule	68. Claim for necessities supplied to person incapable of contracting, or on his account.—If a person, incapable of entering into a contract, or any one whom he is legally bound to support, is supplied by another person with necessities suited to his condition in life, the person who has furnished such supplies is entitled to be reimbursed from the property of such incapable person. ² Illustrations	Test this main limb within the commercial rights and obligations framework. Operational focus: 68. claim for necessities supplied to person incapable of contracting, or on his account.—if a person, incapable of.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(a)	A supplies B, a lunatic, with necessities suitable to his condition in life. A is entitled to be reimbursed from B's property.	Test this (a) within the commercial rights and obligations framework. Operational focus: a supplies b, a lunatic, with necessities suitable to his condition in life. a is entitled to be.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(b)	A supplies the wife and children of B, a lunatic, with necessities suitable to their	Test this (b) within the commercial rights and	Contract/deed, authority,

condition in life. A is entitled to be reimbursed from B's property.

obligations framework.
Operational focus: a supplies the wife and children of b, a lunatic, with necessities suitable to their condition in life.

chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 68 is a commercial rights and obligations provision dealing with claim for necessities supplied to person incapable of contracting, or on his account. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Translate the provision into an owner, trigger, approval, evidence, deadline, exception and remedy control, then test connected law and State variation.

Section-level practical application

Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

Section 69 - Reimbursement of person paying money due by another, in payment of which he is interested

Local statutory-text source control: Retained official India Code PDF extract. [Official India Code source](#) prevails.

Current statutory text

69.Reimbursement of person paying money due by another, in payment of which he is interested.—A person who is interested in the payment of money which another is bound by law to pay, and who therefore pays it, is entitled to be reimbursed by the other.

- 1. See ss. 3 and 5, supra.
- 2. The property of a Government ward in Madhya Pradesh is not liable under this section, see the C.P. Court of Wards Act, 1899 (24 of 1899), s. 31(1).

Illustration
B holds land in Bengal, on a lease granted by A, the zamindar. The revenue payable by A to the Government being in arrear, his land is advertised for sale by the Government. Under the revenue law, the consequence of such sale will be the annulment of B's lease. B, to prevent the sale and the consequent annulment of his own lease, pays to the Government the sum due from A. A is bound to make good to B the amount so paid.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
Main rule	69.Reimbursement of person paying money due by another, in payment of which he is interested.—A person who is interested in the payment of money which another is bound by law to pay, and who therefore pays it, is entitled to be reimbursed by the other. 1. See ss. 3 and 5, supra. 2. The property of a Government ward in Madhya Pradesh is not liable under this section, see the C.P. Court of Wards Act, 1899 (24 of 1899), s. 31	Test this main limb within the price, payment and financial consequence framework. Operational focus: 69.reimbursement of person paying money due by another, in payment of which he is interested.—a person who is.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(1)	. Illustration B holds land in Bengal, on a lease granted by A, the zamindar. The	Test this (1) within the price, payment and financial	Contract/deed, authority,

revenue payable by A to the Government being in arrear, his land is advertised for sale by the Government. Under the revenue law, the consequence of such sale will be the annulment of B's lease. B, to prevent the sale and the consequent annulment of his own lease, pays to the Government the sum due from A. A is bound to make good to B the amount so paid.

consequence framework. Operational focus: . illustration b holds land in bengal, on a lease granted by a, the zamindar. the revenue payable.

chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 69 is a price, payment and financial consequence provision dealing with reimbursement of person paying money due by another, in payment of which he is interested. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Reconcile base price, taxes, credits, deductions, interest, due dates and payment proof. Link every adjustment to the contract and statute.

Section-level practical application

Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

Section 70 - Obligation of person enjoying benefit of non-gratuitous act

Local statutory-text source control: Retained official India Code PDF extract. [Official India Code source](#) prevails.

Current statutory text

70.Obligation of person enjoying benefit of non-gratuitous act.—Where a person lawfully does anything for another person, or delivers anything to him, not intending 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, or to restore, the thing so done or delivered¹.

Illustrations

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

(b) A saves B's property from fire. A is not entitled to compensation from B, if the circumstances show that he intended to act gratuitously.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
Main rule	70.Obligation of person enjoying benefit of non-gratuitous act.—Where a person lawfully does anything for another person, or delivers anything to him, not intending 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, or to restore, the thing so done or delivered ¹ . Illustrations	Test this main limb within the commercial rights and obligations framework. Operational focus: 70.obligation of person enjoying benefit of non-gratuitous act.—where a person lawfully does anything for another person, or delivers.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(a)	A, a tradesman, leaves goods at B's house by mistake. B treats the goods as his own. He is bound to pay A for them.	Test this (a) within the commercial rights and obligations framework. Operational focus: a, a tradesman, leaves goods at b's house by mistake. b treats the goods as his own. he.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(b)	A saves B's property from fire. A is not entitled to compensation from B, if the	Test this (b) within the commercial rights and obligations framework.	Contract/deed, authority, chronology,

circumstances show that he intended to act gratuitously.

Operational focus: a saves b's property from fire. a is not entitled to compensation from b, if the circumstances show.

notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 70 is a commercial rights and obligations provision dealing with obligation of person enjoying benefit of non-gratuitous act. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Translate the provision into an owner, trigger, approval, evidence, deadline, exception and remedy control, then test connected law and State variation.

Section-level practical application

Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

Section 71 - Responsibility of finder of goods

Local statutory-text source control: Retained official India Code PDF extract. [Official India Code source](#) prevails.

Current statutory text

71.Responsibility of finder of goods.—A person who finds goods belonging to another, and takes them into his custody, is subject to the same responsibility as a bailee2.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
Main rule	71.Responsibility of finder of goods.—A person who finds goods belonging to another, and takes them into his custody, is subject to the same responsibility as a bailee2.	Test this main limb within the commercial rights and obligations framework. Operational focus: 71.responsibility of finder of goods.—a person who finds goods belonging to another, and takes them into his custody.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 71 is a commercial rights and obligations provision dealing with responsibility of finder of goods. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Translate the provision into an owner, trigger, approval, evidence, deadline, exception and remedy control, then test connected law and State variation.

Section-level practical application

Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

Section 72 - Liability of person to whom money is paid, or thing delivered, by mistake or under coercion

Local statutory-text source control: Retained official India Code PDF extract. [Official India Code source](#) prevails.

Current statutory text

72. Liability of person to whom money is paid, or thing delivered, by mistake or under coercion.—A person to whom money has been paid, or anything delivered, by mistake or under coercion, must repay or return it.

Illustrations

(a) A and B jointly owe 100 rupees to C, A alone pays the amount to C, and B, not knowing this fact, pays 100 rupees over again to C. C is bound to repay the amount to B.

(b) A railway company refuses to deliver up certain goods to the consignee, except upon the payment of an illegal charge for carriage. The consignee pays the sum charged in order to obtain the goods. He is entitled to recover so much of the charge as was illegally excessive.

CHAPTER VI

OF THE CONSEQUENCES OF BREACH OF CONTRACT

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
Main rule	72. Liability of person to whom money is paid, or thing delivered, by mistake or under coercion.—A person to whom money has been paid, or anything delivered, by mistake or under coercion, must repay or return it. Illustrations	Test this main limb within the validity and consent framework. Operational focus: 72. liability of person to whom money is paid, or thing delivered, by mistake or under coercion.—a person.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(a)	A and B jointly owe 100 rupees to C, A alone pays the amount to C, and B, not knowing this fact, pays 100 rupees over again to C. C is bound to repay the amount to B.	Test this (a) within the validity and consent framework. Operational focus: a and b jointly owe 100 rupees to c, a alone pays the amount to c, and b.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(b)	A railway company refuses to deliver up certain goods to the consignee, except upon the payment of an illegal charge for	Test this (b) within the validity and consent framework. Operational	Contract/deed, authority, chronology,

carriage. The consignee pays the sum charged in order to obtain the goods. He is entitled to recover so much of the charge as was illegally excessive.
CHAPTER VI OF THE CONSEQUENCES OF BREACH OF CONTRACT

focus: a railway company refuses to deliver up certain goods to the consignee, except upon the payment of an.

notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 72 is a validity and consent provision dealing with liability of person to whom money is paid, or thing delivered, by mistake or under coercion. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Preserve negotiations, disclosures and approvals. Test capacity, free consent, lawful object, severability, restitution and ratification as separate questions.

Section-level practical application

Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

Practical examples and calculations

Chapter scenario

A live transaction raises issues concerning relations resembling contract and restitution. Freeze the event date, map each statutory condition, preserve authority and performance evidence, quantify exposure and choose remedy only after limitation and forum review.

Calculation	Method	Evidence
Price / consideration	Reconcile base amount, GST/tax, credits, retention, deductions and payment terms.	Contract, invoice, ledger, tax documents and bank proof.
Loss / compensation	Separate direct loss, consequential loss, avoided cost, mitigation, restitution, interest and stipulated sum.	Loss model, market evidence and mitigation log.
Partner settlement	Reconcile capital, current accounts, loans, drawings, profit share, assets, liabilities and goodwill.	Deed, ledgers, bank records and valuation.
Limitation	Record accrual, breach/refusal, notice, acknowledgment, exclusion and filing date.	Chronology and limitation memorandum.

Practical transaction application

1. Identify the transaction, relationship, parties and event date.
2. Map every provision to the contract/deed and actual conduct.
3. Record conditions satisfied, disputed, waived, excused or prevented.
4. Reconcile authority, delivery/performance, acceptance, payment and notices.
5. Quantify exposure and choose cure, termination, recovery, settlement or litigation strategy.

Authority, consent and execution controls

Authority

- Correct legal entities and counterparties.
- Board, partner, power-of-attorney or delegated authority.
- Ordinary-course and implied-authority limits.
- Third-party knowledge of restrictions.

Consent

- Offer, acceptance and agreed version.
- Capacity, free consent and disclosures.
- Conditions precedent and approvals.
- No unauthorised post-execution alteration.

Execution

- Complete schedules and annexures.
- Witnessing, attestation and e-sign audit trail.
- Counterparts, date and place.
- Original and certified-copy custody.

Stamp duty and registration alerts

Stamp duty is State/UT-specific. Classify the true instrument, place of execution or receipt, consideration and property. Registration is a separate enquiry. Insufficient stamping may require impounding; non-registration may affect property and third-party enforceability.

Instrument	Alert
Commercial agreement	Do not default to a generic article if the substance is indemnity, guarantee, security, transfer, lease or another specifically charged instrument.
Partnership deed/reconstitution	Check capital contribution, immovable property, retirement/dissolution and Registrar filing separately.
Sale of movable goods	Coordinate contract, invoice, GST/e-invoice, transport and sectoral records.
Property-related relief	Check compulsory registration, title, court fee and decree-registration effects.

Evidence and document-retention checklist

Core file

- Executed agreement and every amendment
- Authority and approval trail
- Negotiation and version history
- Notices and receipt proof
- Performance and acceptance evidence
- Invoices, ledger and bank proof
- Loss and mitigation working
- Limitation and forum note

Electronic evidence

- Native email/message and metadata.
- Version history and e-sign certificate.
- System logs and acknowledgements.
- Legal hold and defensible export.

Retention

- Executed originals and amendments.
- Authority and entity records.
- Tax, payment and accounting records.
- Claims and litigation records through final disposal.

Forms, registers and operational records

Record/form	Control
No universal statutory form	The Act generally works through agreements, notices and evidence rather than prescribed Central forms.
Contract register	Maintain owner, counterparty, value, term, renewal, governing law and dispute route.
Breach/claim file	Preserve notice, causation, loss, mitigation and remedy decision.

Performance, delivery and payment controls

Stage	Control	Proof
Obligation matrix	List each reciprocal obligation, owner, due date, dependency and consequence.	Signed matrix tied to contract sections.
Delivery/ performance	Record dispatch, carrier, title/risk point, milestones, inspection and acceptance/rejection.	Delivery documents, certificates and correspondence.
Payment	Reconcile invoice, tax, credit, retention, set-off, due date and bank receipt.	Invoice, e-invoice, ledger and bank proof.
Change/cure	Use authorised variation and cure procedures; avoid informal waiver.	Change order, approval and cure closure.

Breach, loss, mitigation and remedy framework

1. Identify the exact obligation and legally material breach.
2. Confirm causation, remoteness, foreseeability and proof of loss.
3. Record mitigation, avoided cost and substitute performance.
4. Test damages, price, restitution, lien, stoppage, accounts, dissolution, specific performance, injunction, rescission, rectification, cancellation or declaration.
5. Check remedy election, double recovery, caps/exclusions and public policy.

Limitation and forum controls

Control	Analysis
Accrual	Classify cause of action and record breach, refusal, knowledge, demand and continuing-obligation dates.
Limitation	Apply the correct article; test acknowledgment, part-payment, exclusion and disability.
Jurisdiction	Check territorial/pecuniary rules, Commercial Courts threshold, exclusive forum and special court.
Interim relief	Assess preservation, injunction, receiver, security and evidence protection.
Appeal/ enforcement	Map decree/award challenge, execution, interest and cross-border enforcement.

Arbitration and mediation interface

- Validate agreement, signatories, scope, seat, rules and appointment mechanism.
- Separate substantive rights from forum selection and identify non-arbitrable issues.
- Check interim measures, consolidation, joinder and multi-contract issues.
- Preserve limitation during negotiation or mediation.
- Record settlement authority, confidentiality, tax, stamp and enforceability.

Company, partnership, GST and tax overlays

Overlay	Questions
Companies Act	Authority, objects, approvals, related-party, loan/guarantee/security and disclosure requirements.
Partnership/LLP	Deed/LLP authority, current constitution and public records.
GST	Supply, time/place/value, invoice/e-invoice, ITC, credit note, advance, damages and settlement treatment.
Income tax/TDS	Withholding, partner remuneration/interest, capital/revenue, bad debt, settlement and transfer consequences.
IBC/FEMA/ consumer	Moratorium and avoidance, cross-border payment/governing law, consumer and e-commerce protection.

Binding and foundational judicial principles

Authority	Principle	Verification
Mohori Bibee v. Dharmodas Ghose	Capacity: a minor cannot be made contractually liable through an agreement treated as enforceable against the minor.	Verify official judgment and later treatment.
Bhagwandas Goverdhandas Kedia v. Girdharilal Parshottamdas	Communication rules determine where and when acceptance creates a concluded contract.	Verify official judgment and later treatment.
Central Inland Water Transport Corp. v. Brojo Nath Ganguly	Unconscionable terms and unequal bargaining power may engage public-policy and undue-influence analysis.	Verify official judgment and later treatment.
Satyabrata Ghose v. Mugneeram Bangur & Co.	Section 56 covers practical impossibility and frustration, not merely literal physical impossibility.	Verify official judgment and later treatment.
Fateh Chand v. Balkishan Das	A stipulated sum does not automatically become recoverable; reasonable compensation remains the statutory measure.	Verify official judgment and later treatment.
Kailash Nath Associates v. DDA	Section 74 compensation requires legal injury and cannot operate as an automatic windfall.	Verify official judgment and later treatment.

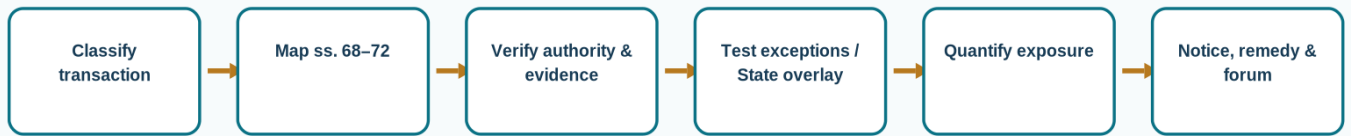
Central and State/UT variation alerts

Stamp duty, registration, court fee, civil procedure and State amendments must be checked for the instrument and forum.

Use the State/UT variation register in the data folder for the live source checklist.

Chapter-specific decision flowchart

ICA-C06 · Finin2min decision path



Necessaries, reimbursement, non-gratuitous acts, finder of goods and mistake. Verify the current official source before professional reliance.

Finin2min Q&A

What decision does ICA-C06 help a business make?

It determines how relations resembling contract and restitution should be classified, documented, performed and enforced under sections 68-72 of the Indian Contract Act, 1872.

Which provision should be read first in ICA-C06?

Begin with section 68 (Claim for necessities supplied to person incapable of contracting, or on his account) and then read the connected definitions, exceptions and remedy provisions in sequence.

What is the principal implementation risk in ICA-C06?

Applying a commercial label without proving the statutory conditions for relations resembling contract and restitution, or acting without authority, notice, performance and payment evidence.

Which execution checks are specific to ICA-C06?

Confirm the correct entities, signatory authority, consent, complete annexures, stamp and registration treatment, digital audit trail and approvals relevant to relations resembling contract and restitution.

How should evidence be indexed for ICA-C06?

Link every section in the chapter with the contract or deed, authority, chronology, notices, performance, delivery, payment, loss and remedy evidence supporting it.

What calculation should be retained for ICA-C06?

Retain the relevant price, tax, interest, partner-account, loss, mitigation, restitution or relief working with sources and assumptions, not only the final number.

How does limitation affect ICA-C06?

Classify the precise cause of action associated with relations resembling contract and restitution, record accrual, refusal, notice, acknowledgment and exclusion dates, and apply the correct Limitation Act article.

Can arbitration resolve every dispute arising under ICA-C06?

Arbitration may govern the forum, but it does not validate illegality, remove mandatory rules or make a non-arbitrable subject arbitrable. Check scope, seat and interim relief.

Which tax and entity overlays should be checked for ICA-C06?

Check Companies Act authority and related-party controls, partnership constitution, GST supply and invoice consequences, withholding, accounting and insolvency effects.

What is the final professional sign-off for ICA-C06?

Confirm the current statutory source, section conclusions, State variation, authority, calculation, limitation, remedy, forum and complete evidence trail.

Why is section 72 important to ICA-C06?

Section 72 (Liability of person to whom money is paid, or thing delivered, by mistake or under coercion) completes the chapter control and must be tested independently.

Official sources and verification status

- [Indian Contract Act, 1872 - India Code](#)
- Official Gazette and applicable State/UT Gazette, Registrar and court portals.
- Review date: 2026-07-18.