

## Unit → 6

Collateral → Connected

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### # Contingent Contracts :->

- अनिश्चित main contract की performance is dependent upon the happening or the non-happening of a future uncertain event. This, known as contingent contract.

• Both the parties are interested in subject matter of the contract

• A contract to do or not to do something, if some event, collateral to some contract, does or does not happen.

#### # Collateral event →

- An event which is neither a performance directly promised as a part of contract, nor the whole of the consideration for a promise.

- Totally valid in the eyes of law and are enforceable.

### # Essentials of Contingent Contract :->

① Performance of contingent contract would depend upon happening or non-happening of some event or condition.

② Event referred to is collateral to contract. Event is not part of contract. It should be neither performance promised nor consideration for promise.

③ Contingent event should not be mere 'will' of promisor. Event should be contingent in addition to being will of promisor.

enforce → now the party can demand the performance of this contingent contract from the other party.

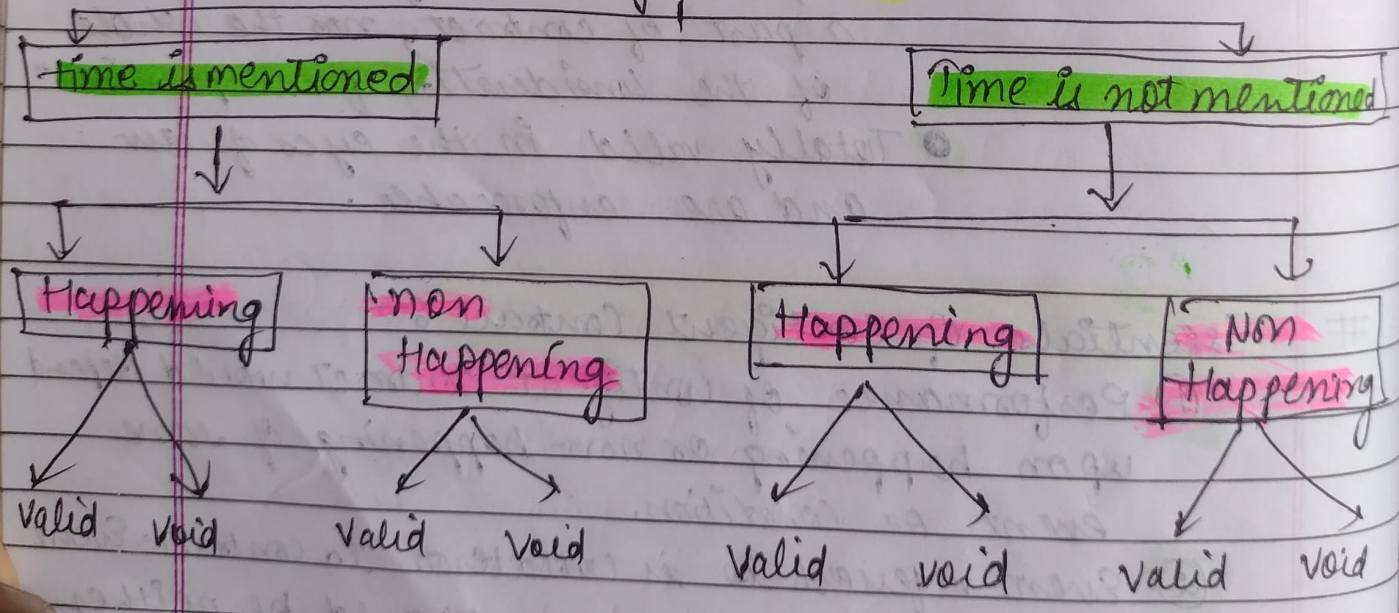
④ Event must be uncertain. where event is certain or bound to happen, contract is due to be performed, then it is not contingent contract.

# Difference between Contingent Contract & Wagering Agreement.

~~④~~ ~~Contingent Contract~~

# Rules relating to enforcement of a Contingent Contract →

~~Contract would cease to be~~  
Contingent Contract



① Enforcement of contracts contingent on an event happening  $\Rightarrow (B_1)$

- where contingent contract is made to do or not do anything if uncertain future event happens, it cannot be enforced by law unless & until that event has happened. If event become impossible, such contracts become void.

② Enforcement of contracts contingent on an event not happening  $\Rightarrow (B_2)$

- where contingent contract is made to do or not do anything if uncertain future events does not happen, it can be enforced only when happening of that event becomes impossible & not before.

③ Contingent on happening of specified event within fixed time  $\Rightarrow (A_1)$

- Contingent contracts to do or not to do anything, if specified uncertain event happens within fixed time, becomes void if, at expiration of time fixed, such event has not happened, or, if, before time fixed, such event becomes impossible.

# Contingent

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④ Contingent on specified event not happening within fixed time  $\rightarrow (A_2)$

- Contingent contracts to do or not to do anything, if specified uncertain event does not happen within fixed time, may be enforced by law when time fixed has expired, & such event has not happened or before time fixed has expired, if it becomes certain that such event will not happen.

⑤ Contingent on an impossible event  $\rightarrow$

- Agreement void [void-ab-initio]
- Contingent agreements to do or not to do anything, if impossible event happen are void, whether impossibility of event is known or not to parties to agreement at time when it is made.

⑥ Contract would cease to be enforceable if it is contingent upon the conduct of a living person when that living person does some thing to make 'event' or 'conduct' an impossible of happening  $\rightarrow$

- If contract is contingent upon as to how a person will act at an unspecified time, event shall be considered to have become impossible when such person does anything which renders it impossible that he should so act

#

Qu

29  $\rightarrow$  founder of  
text goo

resembling-

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within any definite time or otherwise than under further contingencies.

# Quasi Contract :- [resembling a contract]

- Implied by law. [Created by law.]
- These are not actually contracts which are entered into by parties.
- Obligations are imposed by law and not by contracts entered into by parties.
- Only one party does some obligation on the party without any contract whereby party performing obligation ~~in~~ incurs some expenditure.
- Quasi contract are not intentionally entered into by parties to contract.
- These are based on principle of equity or equality ↓

That no one should get enriched at the expense of another

- Quasi contract also based on principles of equity, justice and good conscience.
- "No man must grow rich out of another person's loss."

eg →  
founder of  
best goods.

necessity  
food, shelter, cloths, medical.

deemed = assumed =

reimbursed → 31x415 (recovered) PANKAJ  
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## # Cases deemed as a Quasi Contract:→

### ① Claim for necessities supplied to persons incapable of contracting:→

incapable  
① minors  
② unsound mind  
③ disqualified by law.

• If person, incapable of entering into a contract, or anyone 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 property of such incapable person.

### ② Payment by an interested person:→

• Person who is interested in payment of money which another is bound by law to pay, & who therefore pays it, is entitled to be reimbursed by other.

### ③ Obligation of person enjoying benefits of non-gratuitous:→

• Where person lawfully does anything for another person, or delivers anything to him not intending to do so gratuitously & such other person enjoys benefits thereof, latter is bound to pay compensation to former in respect of, or to restore, things so done or delivered.

\* It thus follows that for suit to succeed, Plaintiff must prove:

- (i) that he had done act or had delivered thing lawfully,
- (ii) that he did not do so gratuitously &
- (iii) that other person enjoyed benefits.

#### ④ Responsibility of finder of lost goods? →

• Person who finds goods belonging to another & takes them into his custody is subject to same responsibility as if he were bailee.

\* Finder of lost goods has:-

- (i) to take proper care of property as man of ordinary prudence would take,
- (ii) no right to appropriate the goods &
- (iii) to restore goods if owner is found

#### ⑤ Money paid 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.

Every kind of payment of money or delivery of goods for every type of 'mistake' is recoverable. Similarly, any money paid by coercion is also recoverable.

## # Salient features of quasi contract<sup>o</sup> →

- ① Such rights is always a right to money & generally, to liquidated sum of money.
- ② It does not arise from any agreement of parties concerned, but is imposed by law.
- ③ It is right which is available not against entire world, but against particular person or person only, so that in this respect it resembles contractual rights.

## # Diff<sup>n</sup> between Quasi Contract vs Contract