

Unit-6 CONTINGENT AND QUASI CONTRACT →

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Contingent Contract → (Section 31)

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

Example → Contract of Insurance, indemnity and guarantee fall under this category.

Collateral Contract →

It is a event in which neither performance is directly promise as a part of contract nor whole of consideration for promise.

Essentials of a contingent contract →

- It depends upon happening or non-happening of some event or condition.
- Event is collateral event.
- Event should not be mere 'will' of promisor.
- Event must be uncertain.

Rules related to Enforcement →

1. Enforcement of contract on event happening: (Section 32)

- When a contract is dependent on happening of future event, contract can't be enforce unless and until event happen.
- If event becomes impossible than contract is void.

2. Enforcement of Contingent contract on an event not happening: (Section 33)

- When contingent contract is made on non-happening of an event, it can be enforced when happening becomes impossible.

3. A contract would cease to be enforceable if it is contingent upon the conduct of a living person when that living person does something to make 'event' or 'contract' as impossible of happening: (Section 34)

- Contract becomes void when living person does something which renders it as impossible.

4. Contingent on happening of Event within fixed time: (Section 35)

- Contract to do or not to do something if specified uncertain Event happens within fixed time, it becomes void if after Expiration of that period Event does not happen or it becomes impossible.

5. Contingent on specified Event not happening with fixed time: (Section 35)

- Contingent Event to do or not to do anything if specified uncertain event does not happen within fixed time, then contract is valid, if event becomes impossible of happening.

- It becomes void if event happens.

6. Contingent on an impossible Event: (Section 36)

- If contract is contingent upon impossible Event then contract is void irrespective of fact whether fact of impossibility is known to parties of contract.

Quasi Contract →

It is not a contract in strict sense but court recognises it as relational resembling those of a contract and enforces them as if they were contract. It is known as Quasi Contract.

Quasi Contractual obligation

→ Even in the absence of a contract certain specific obligation has to be performed in such contract.

→ They are based on principle of Equity, Justice and good conscience.

→ Also its main intention is "No man should grow rich out of other person's loss."

Features of Quasi Contract →

→ It involves right of sum of money and not liquidated sum of money.

→ It does not arise ~~fr~~ b/w from agreement b/w parties but rather imposed by law.

→ It is right available against particular person and not against whole world.

Cases of Quasi Contract :

a) Claim for necessities supplied to persons incapable of contracting → (Section 68)

If a person enter into a contract with another who is incapable of contracting and supplies him necessary suited to condition in life, such person is entitled for reimbursement from property of such other person.

b) Payment by interested person → (Section 69)

→ A person who is interested in payment of money which another is bound to pay by law and who pays it is entitled to get reimbursed from another.

(Section 70)

c) Obligation of person enjoying benefits of non-gratuitous act →

→ Where a person lawfully does anything for another person or delivers anything to him not interested to do so gratuitously and such other person enjoys benefit thereof, latter is bound to pay compensation to former or restore things so done or delivered.

d) Responsibility of finder of goods: (Section 71)

→ A person who finds goods belonging to another and takes them into custody is subject to same responsibility as if a bailee.

Finder of goods having following obligation →

e) → He has to take proper care of property as a man of ordinary prudence would take.

→ No right to appropriate goods.

→ Need to restore good if owner is found.

e) Money pay by mistake or coercion → (Section 72)

→ If money is paid by mistake/coercion to other party than other party is bound to restore it.