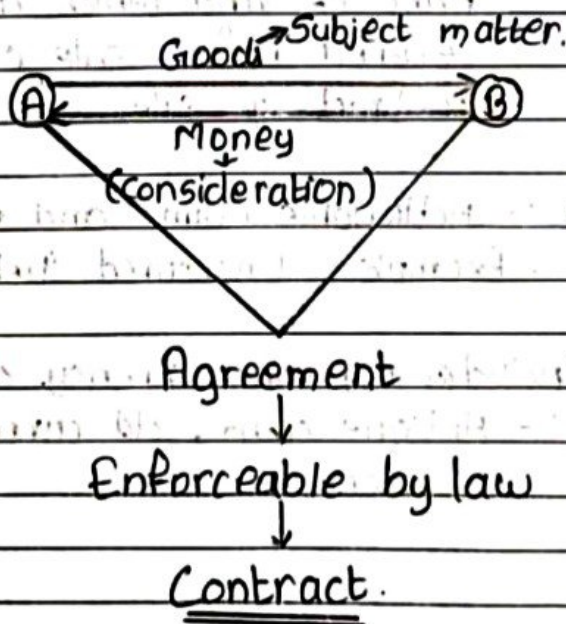
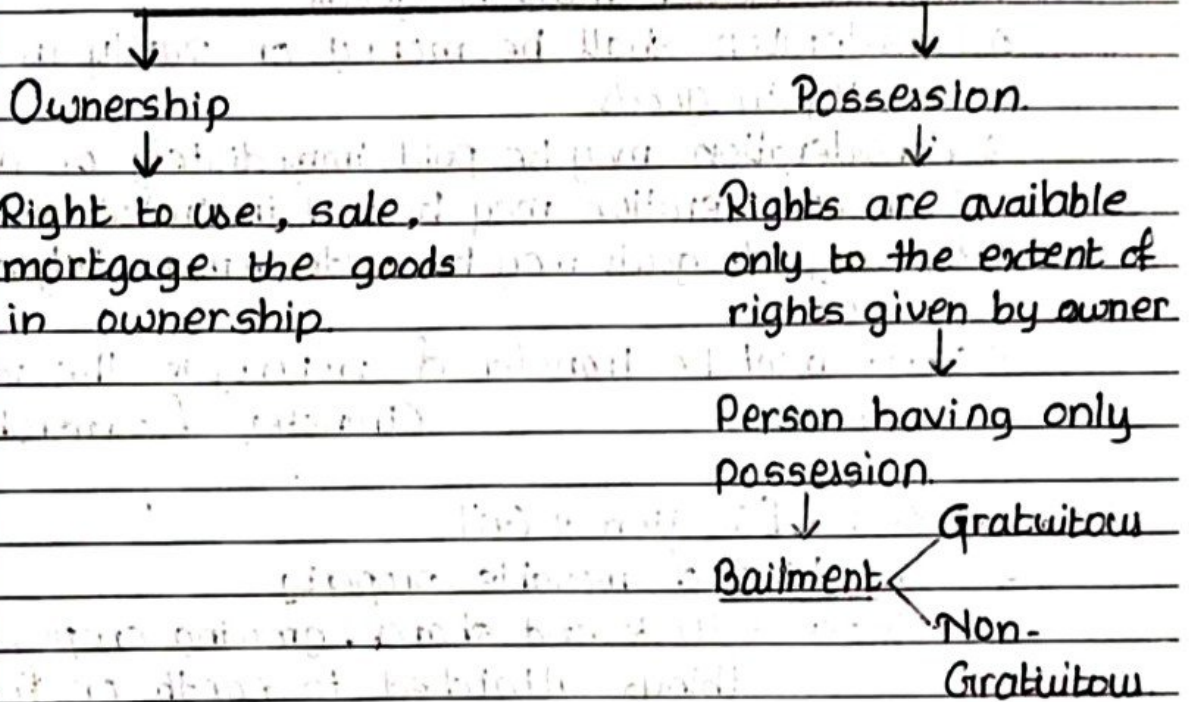


# SALE OF GOODS ACT (SOGA)

- Sale: Transfer of ownership / Transfer of property in Goods.



• Elements of Sale of Goods:

- 1) Subject matter must be goods.
- 2) Consideration shall be money or partly in money / partly in goods.
- 3) Consideration may be paid immediately or in advance or consideration may be paid in installments.
- 4) Delivery of goods may be made immediately or in parts.
- 5) There must be transfer of property in the goods.  
(transfer of ownership)

§119 • GOODS: [Section 2 (7)]

- Every kind of movable property
- Includes :- Stock and shares, growing crops, grass, things attached to earth or forming part of land which are agreed to be severed before sale or under the contract of sale.

- Excludes :- Actionable claims and money.

- Example :- Unsecured Debts / Debtors.

- Money includes current currency only.

Except :- Antique coins, old currency c 46/84  
as goods.

## Contract of Sale Includes:

Sale

Agreement to sale

Immediate transfer  
of ownership

(Ownership with buyer)

Transfer of ownership  
in future.

(Ownership with seller)

\* ∴ Buyer [2(1)] : Person who buys goods or agrees to buy the goods.

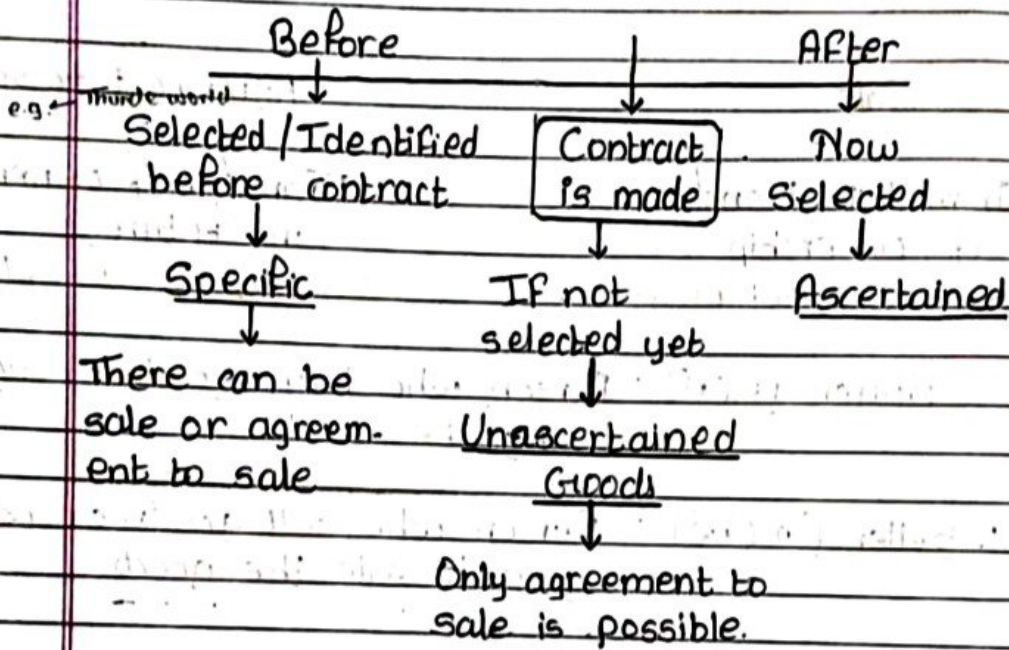
\* ∴ Seller [2(13)] : Person who sell goods or who agrees to sale the goods.

## TYPES OF GOODS:-

1) Existing Goods :- ① Goods Manufactured/Produced  
(Section 6) +  
② Ownership with Seller

2) Future Goods :- Either: ① Not Manufactured  
(Section 2[6]) OR  
② Not in ownership of  
seller.

a) Unascertained Goods / Specific / Ascertained:



a) Goods in Deliverable State:

Goods are in such position that buyer may take immediate delivery of goods. (Goods identified or packed).

• Transfer of Ownership:

① Future Goods → ② Existing Goods → ③ Unascertained Goods

④ Appropriation of Goods (Selection of Goods) → ⑤ Specific / Ascertained Goods

\* Immediate sale is possible in case of goods are in delivery state.

• CONDITIONAL SALE: (Reservation of Right of Disposal)

Additional condition may be imposed by seller for transfer of ownership.

Example → 'Payment of full amount in cash.'

In such case ownership will be transferred when ~~normal~~ condition is fulfilled + Normal procedure given above also completed.

- In other words:- Payment + Selection and Deliverable state.

• TRANSFER OF RISK:

- Risk follows ownership.

- In case of normal sale:- Risk will be transferred when Goods are selected and in deliverable state.

- In case of Conditional Sale: Risk transferred when:

Condition fulfilled + Normal Procedure completed.

Generally risk is transferred with ownership but in following cases it will be transferred before or after transfer of ownership:

① IF there is specific agreement

(between buyer & seller)

① Person in default:

In case if there is loss of goods due to fault of other party than owner then other party is liable. (Not owner).

② Person fails to comply the duties of Bailee:<sup>Eg Cement</sup>

③ Other person than owner may be liable due to usage of trade. (eg → e-business)

s1819.

• Transfer of Ownership by person other than owner:

- Only owner can transfer ownership.

- In Latin word "Nemo dat Quod Non Habet."

जिसे पास ही नहीं है, वो ही दे सकता → (No one can give what he has not got)  
जिसे पास ही नहीं है, वो ही नहीं दे सकता →  
Ownership → Ownership

• Exceptions to above Rules:-

\* Where person other than owner can transfer ownership :-

Situation 1:- Sale by mercantile Agent.

IF mercantile agent having possession

with consent from owner then he can transfer ownership even though agent is not owner.

Situation 2:- Sale by one of Joint Owner.

One of the joint owner can sale goods even if there is consent of other.

joint owner is not taken and Buyer will get title if purchased it in good faith.

Situation 3 :- Sale by person having possession under Voidable Contract.

IF person who received goods under voidable contract and sells goods before cancellation of contract then buyer will get proper title of goods if he bought in good faith.

Situation 4 :- Sell by seller having possession after sell:

Buyer will get title if he purchased goods in good faith.

Situation 5 :- Sell by buyer having possession before sell.

Buyer will get valid title if he purchased goods from the buyer having possession with good faith. e.g. → sale on approval basis

→ Stopped from denying.

Situation 6 :- Effect of Estoppel

IF any person is selling goods of another person and owner was aware about it and owner did not take any objection then owner is not allowed to take objection after sale, in other

Situation 7 :- Sale by unpaid seller.

Situation 8 :- Sale by other person than owner under provision of other act.

- i) Sale by official receiver / liquidator
- ii) Sale by finder of lost goods:
  - a) Owner refuses to pay lawful charges
  - b) Cost of finding owner is  $\frac{2}{3}$ rd or more of the value of goods.
  - c) IF goods are perishable goods.

7/8/19

DELIVERY : Voluntary transfer of Possession  
मालीका

### Types Of Delivery

Actual Delivery

Transfer of goods physically from one person to other person

It involves actual movement of goods

Symbolic Delivery

Delivery through transfer of key, Documents of title of goods.

Goods will not actually move

Constructive Delivery

Delivery of goods by Acknowledgement of person having possession.

Goods 52/84 actually move.



Document of Title

Such documents represents ownership & ownership is transferred with transfer of documents.

Examples :-

- ① Railway Receipts
- ② Doc. Warrant
- ③ Multimodal transport receipt
- ④ Bill of lading (All receipts of transportation given by transportation authority itself treated as Document of Title [D.O.T.]

Does not include mate's receipt. (Not treated as DOT)

Example :- Godown Receipt

Document showing Title.

Such documents shows the name of owner

Transfer of documents is not transfer of ownership.

Additional formalities are required to be fulfilled.

Examples :-

- ① Share certificate
- ② Document of Vehicles