Date – 28/03/2025

Business law

Ch. 03 → Sale of Goods Act, 1930 :-

Unit : 01 → Formation of the Contract of Sale :-

Sec. 01, 02

1). SELLER

- Sale [Executed Contract]
- ~~Sale~~ Agree to sell [Executory Contract]

2). Good's

- Deliverable State
- Movable Property

3). Buyer

- who Ready to Pay the price for Goods

Sec. 01 Unit-1 → Formation of Contract of Sale

Background :-

- Sale of Goods Act 1930 came into inforce on 1st July, 193[illegible]
- It is Applicable to whole of Indian.
- where the Sale of Goods Act, 1930 is silent :
  → The General principle of the law of Contract Apply.
- The Sale of Goods Act 1930 Applicable only to Sale of Movable property.

Property: Sale of Immovable Property ⇒ Transfer of Property Act, 18[illegible]

- SOGA, 1930 is Applicable for sale of Goods only.
- SOGA, 1930 is Not Applicable on other Transaction.

Transaction → Gift, Lease, Pledge

1. SELLER

- Seller means a person who sell or Agree to sell the Goods

sell → Executed Contract

Agree to sell → Executory Contract

2. Buyer

- Buyer Means a person who Buy or Agree to Buy the Goods for a price.

Buy → Executed Contract

Agree to Buy → Executory Contract

3. Goods

- Goods means every kind of Movable property Other than actionable claim & Money.
  [Debt]

Good's

Include

- Stock & Share
- Growing Crops
- Grass
- Things Attach to Land

Exclude

- Money
- Actionable claim.
  → Debt

Goods

- Things attach to land which are not movable, But Trees Growing Crops, which Can be easily Sence from the earth before Sale,

Fruit, vegetables, flowers which Can be Seperated from the Trees → are included in Good's

- Live stock → Goods → Cow, Buflolow, Goat, etc.
- Patent, Copyright Trademark, Design, are call Concidered goods, Because → It is a subject Matter of Contract.
- Ship → also Considered to goods
water, Gas, fuel.

Kinds of Goods

Existing Goods

- Goods which are already in Existence at the time of Contract.

Specific good's
ascertned
↓
Basmatic Rice @ 200/-

General Good's
unascertned
↓
Any rice @ under ₹ 100/-

Future goods

- Goods which are yet to be manufactured in future.

Ex → A Contract to sell to B All the mangoes which will be Produce in his Garden in next year.

Contingent goods
↳ Conditional

- Acquisition of Some Goods Depend up on a Contigency which may, or may not happen.

Ex → A agree to sell to B a certain Car, Provided (Condition) If he is able to purchase from Present owner C.

• Price

• Price is the money Consideration for Sale of goods.

• No sale can take Place without a price.

• Exchange of goods for Goods.

• Exchange of goods for Goods ~~along~~ along with price will be Considered as Sale.

• Property ⟶ (Sale)

1). General property → ownership

2). Special property → Interest

Sale of Goods Act, 1930.

Property ~~means~~ means the General property in Goods & not merelay a special property.

Example :-

A who own the Goods Pledge them to B, then A has the General property in Goods which B has a special property.

unit-01 → Formation of Contract of Sale Sec.02

1. Document showing Title to Goods

- It is document which shows the ownership of Goods.

Ex → Share → Share Certificate → Document. — Showing Title to Goods

Car → RC of Car → Document —

2. Documents of Title to Goods

- It is Document which is used as proof of the Possession or Control of Goods.

Ex → Dock warrent
Railway receipt
Bill of loading

. Mercantile Agent → Commerical Agent
↳ Business Helper

An agent having the Customary Course of Business as such agent. → Authority

Excluded → If a person is not carrying business as such Agent, He would not fall under mercantile agent.

1 - Contractor
2 - ware house man
3 - A Carrier (Transporter)
4 - servent
5 - A friend

1. To sell the Good's.
2. To Consign the good for the Purpose of sale.
3. To Buy the goods.
4. To Raise money on security of Goods

• DELIVERY

• Delivery means Valuntary transfer of possession from one person to Another.

Ex → Theft of Good's → (Valuntary Transfer)

• Kinds of Delivery

Actual Delivery

when the goods are actually physically Delivery.

Ex → Seller sale & Transfer Product for a price on a shop.

Symbolic Delivery

when a Delivery of thing in token of Transfer of something else.

Ex → Handing over Document of Title Car key Delivered.

Constructive Delivery

when it is affected without any change in the Custody or Actual possession.

Ex → where a warehouse man holding the goods of A holds the goods on behalf of B, A's request.

• Essential Element's of a valid Contract of sale

1. All the Requirement of a valid Contract must be fulfilled.
   - valid offer & Acceptance
   - Competency of the party →
     - Major
     - Sound mind
     - Not disqualified by law from Contracting.

— Free Consent
→ Coercion ×
→ under influlness
→ Misrepresentation
→ fraud

— Lawful object
— Lawful Consideration

2). There must be Two Parties of the Contract of Sale.

1) Seller
2) Buyer
Agreement to sale → Contract of Sale

3). There must be some goods as a subject matter.

4). The property in the goods must be Transfer to Buyer.

5). There must be some price for the goods.

6). A Contract of sale must be absolute & Conditional.

Sale / price

COD
Deliver after 3 Day
Payment after 3 Day

• Formation & made of Contract of Sale

1. There may be immediate Delivery of goods But, the price is to be paid at some future Date.

2. There may be immediate Payment of price, But the Delivery is to be made at some future Date.

3. There may be immediate Payment of price & Delivery of Goods.

4. There may be postponement of Price & Delivery of Goods.

5. The Price & Delivery of Goods May be agreed to be made in installment.

• Effect of Distruction of Good's

Supervening Impossibility → Subject matter Distroy → Valid contract

Before the Contract

Goods are Distroyed before the Contract of sale.
↓
Contract ×
↓
Agreement
↓
Void Agreement

Risk of Goods is with the seller

After agreement But Before sale

Goods are destroyed after Agreement to sale but before sale.
↓
Agreement ✓
↓
Contract ✓
↓
Void Contract

Risk — Seller

After the Contract

Goods are destroyed after the Contract of sale.
↓
Executed Contract
↓
Risk → Buyer (ownership) Possession Transfer.

Mads of fixing the price

- Price means, consideration for the Sale of Goods

1. The fixation of price by the Contract of Sale.
2. The fixation of price in a manner provided in the Contract of Sale.
3. The fixation of price by Course of dealing.
4. The fixation of Reasonable Price.

5. The Fixation of price by third ~~party~~ party.

i. The party may agree to sell & buy the goods but on the ~~t~~ termes, that the price shall be fixed by the valuation of third party.

ii. If such party fail to make the valuation.
→ void Contract

iii. If the buyer has received the Goods and has appropriated them he become to pay → Reasonable Price to seller.

iv. Some time the third party, is influenced or Prevented by the Buyer or the sell from fixing the price.
→ The innocent Party Can Recover This Damages from Defaulting Party.