

Formalities of Contract of Sale

Except where specifically required by any law, no particular form is necessary to constitute a valid contract. The agreement may be express or may be implied from the conduct of the parties. Section 5 of the Sale of Goods Act, 1930 lays down the rule as to how a contract of sale may be made and has nothing to do with the transfer or passing of the property in the goods. A contract of sale may be made in any of the following modes:

- (i) There may be immediate delivery of the goods; or
- (ii) There may be immediate payment of price, but it may be agreed that the delivery is to be made at some future date; or
- (iii) There may be immediate delivery of the goods and an immediate payment of price; or
- (iv) It may be agreed that the delivery or payment or both are to be made in installments; or
- (v) It may be agreed that the delivery or payment or both are to be made at some future date.

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