

Panchakshari's Professional Academy

CA Found Law Specimen Case Study

1. M/s Woolworth and Ass. A Firm dealing with me wholesale and retail. Buying and selling of various kinds of logs customized as per the requirement of the customers they deal & rosewood, mangowood burwawood , teakwood etc.

Mr. Das a customer's came to the shop and asked for wooden logs measuring four inches broad and eight feet long as required by the carpenter. Mr. Das specifically mentioned the required by the wood which would doors and arranged the wooden piceas, out into as per the buyers requirement.

The carpenter visted Mr. Das house next day and he found that the seller had supplied mango-tree wood for which was the most unsuitable for the purpose. The carpenter asked Mr. Das to return the wooden logs as N would not meet his requirements, the shop owner refused to return the wooden logs on the plea that logs were cut to a specific requirements of Mr. Das and hence could not be resold.

Fitness for buyer's purpose

Where the buyers expressly or implication makes known to the seller the particular purpose for which he requires the goods and relies on the sellers skill or judgment, Then the seller must supply the goods which shall be reasonably Fit for the buyers purpose.

Conclusion: in the given case, Mr. Das had clearly intimated the seller of his specific purpose and the goods supplied were totally unfit for that purpose. The seller is bound to supply the goods that are also, the seller is responsible for the goods supplied because buyer had clearly intimated the purpose of buying the goods, so now Mr. Das either will get replacement of goods or refund of price.

Fact of the case: in the given case N seems that Mr. Das one of the customers visited the shop name M/s woodworth and Ass. Which deals in wholesale and retail buying and selling of various kinds of wooden logs as well as customized as per the requirement of the customers, they deal in rosewood, mangowood, teakwood burnewood etc. when a customers, (Mr. Das) visited a shop and asked For wooden logs measuring Fours inches broad, eight feet long as per requirement, along with the order Mr. Da specifically mentioned that he required the wood for the purpose of waking wooden doors and window frames. The shop owner arranged the wooden piceas as per the requirement of the buyers but not as per the purpose of the buyers .but not as per the purpose of the buyers.

Provision of relevant act: The rule is enunciated in the opening words of section of the sale of goods act which states that, subject to the provision of this act and of any other law for the time-being inforce, there is no implied warranty or condition as to the quality or fitness for any particular purpose of good supplied under the contract of sale.

Correct emptor means that let the buyers be aware i. e in sale of goods, the seller is under no duty to reveal truth about the goods sold, therefore when a person buys some goods he must examine them thoroughly, if the goods turn out to be defective or do not suit his purpose, he buyers cannot blame anybody accept himself.

The rule of covet emptor does not apply in the following case:

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2. Mr. X and Mr. Y entered into a contract on 01.08.2018, by which Mr. X had to supply 50 tonnes of sugar to Mr. Y at a certain price strictly within a period of 10 days of the contract. Mr. Y also paid an amount of Rs.50,000 towards advance as per the terms of the above contract. The mode of transportation available between their places is roadway only, severe flood came on 02.08.2018 and the only road connecting their place was damaged and could not be repaired within 15 days

Mr. X offered to supply sugar on 25.08.2018, for which Mr. Y did not agree on 01.09.2018, Mr. X claimed compensation of Rs. 10,000 from Mr. Y for refusing to accept the supply of sugar which was not there within the preview of the contract. On the other hand Mr. Y claimed for refund of Rs. 50,000 which he had paid as advance in terms of the contract

Fact of the case: From the above case it seems that Mr. X & Mr. Y entered into contract wherein Mr. X has promised to supply 50 tonnes of sugar to Mr. Y at certain price for which Mr. Y has paid an amount of Rs. 50,000 in advance, according to the terms of contract but due to severe flood the only mode of transport available between their place was damaged, which makes the delivery of 50 tonnes of sugar to Mr. Y impossible within the stipulated time.

Even though Mr. X claims compensation of Rs. 10,000 from Mr. Y for non-acceptance of delivery after expiry of the stipulated time but since the contract has already become impossible to perform within the stipulated time, hence there is no point to claim compensation of Rs. 10,000.

The contention of Mr. Y for refund of his advance sum of Rs. 50,000, stands valid under the provisions of Indian Contract Act.

Provision of relevant Act: According to the facts of the case it can be clearly observed that contract entered into by the parties is coming under the application of provision of section 56 of Indian Contract Act which states that "A contract to do, an act which after the contract is made, becomes impossible by reason of some event which the promisor could not prevent becomes void."

Conclusion: From the above case we may conclude that the demand or claim of Mr. X for compensation of Rs. 10,000 is not valid and enforceable and since the contract was supposed to perform within 10 days was not observed due to impossibility of performance hence Mr. Y is entitled to have refund of his price.