

# THE SALE OF GOODS ACT, 1930



# Introduction

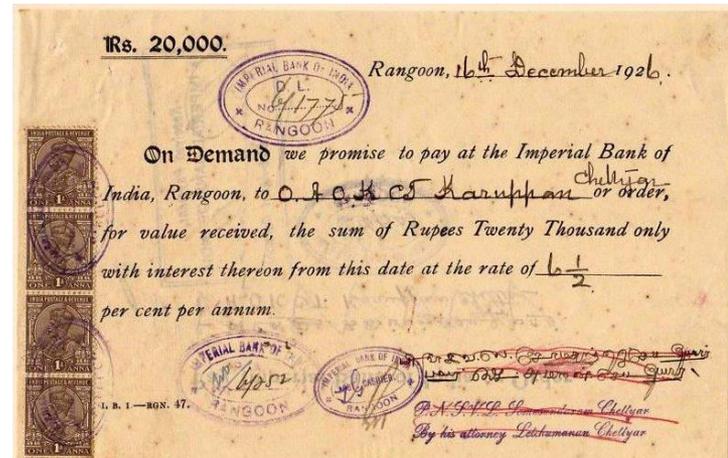
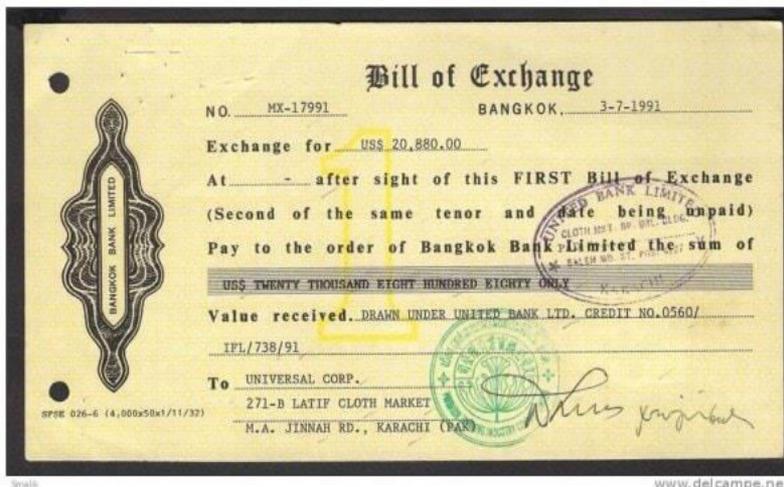
Sale of goods act deals with the following points:

- a. Sale and purchase of goods
- b. Focuses on movable goods only
- c. Actionable claims do not come under movable goods
- d. This act was previously part of the Indian Contract Act, 1872



# Actionable claims

- Actionable claim means a claim, which can be enforced through courts. Example: bill of exchange, promissory note, etc.



# Goods [Sec 2(7)]

- Goods means every kind of movable property other than actionable claims and money, and includes stock and shares, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before sale or under the contract of sale.



# Types of goods

Existing

Future

Specific

Generic



# Sale [Sec 4]

- A contract where the seller transfers or agrees to transfer the property in goods to the buyer for price.



**Contract of  
sale**

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graph TD; A[Contract of sale] --> B[Sale]; A --> C[Agreement to sale]; B --> D[Transfer of ownership]; C --> E[Ownership is transferred only when goods arrive at seller's place];
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**Sale**

**Transfer of  
ownership**

**Agreement  
to sale**

**Ownership is transferred only  
when goods arrive at seller's  
place**

# Essentials of contract of sale

- Two parties
- Goods
- Transfer of general property
- Price
- Existence of essential element



**Two parties**

**Buyer**

**A person who buys  
or agrees to buy**



**Seller**

**A person who sells or  
agrees to sell**



# Goods

**Movable  
property**



**Immovable  
property**



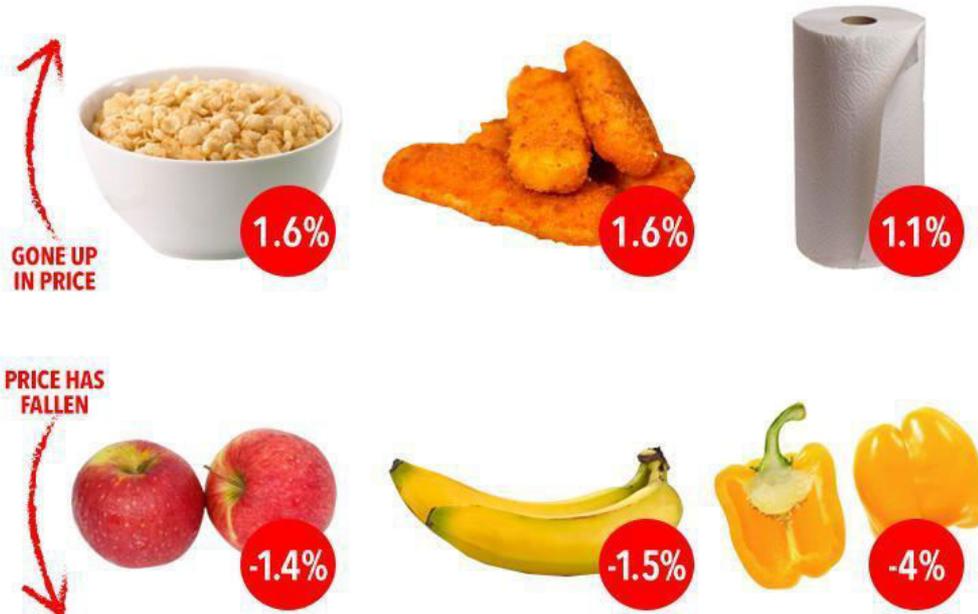
# Transfer of general property

- There must be transfer of goods from seller to buyer.



# Price

- Contract of sale cannot be complete without price. There must be a price fixed for the sale of the commodity.



# Existence of essential elements

- During sale of goods the essential elements for sale of goods should be present at the time of sale.



# Property [Sec 2(11)]

- It means general property in goods and not merely a special property. Property means ownership.



# Perishing of goods [Sec 7 and Sec 8]

Before making of the contract (Sec 7)



When the goods are perished before is made and the seller has no knowledge about it, then in such a case, the contract of sale becomes void.

Before sale but after agreement to sell (Sec 8)



When goods are perished when the contract is made, without knowledge of the seller, then such contract of sale is void and seller should bear the loss.

# Price [Sec 2(10)]

- Sec 2(10) defines price “as money consideration for a sale of goods.”
- It forms an essential part of the contract
- It must be expressed in the terms of money
- It is not essential that the price should be fixed at the time of sale. It must, however, be payable, though it may not have been fixed.



# Ascertainment of price

□ Price in a contract of sale may be

a. Fixed by the contract itself

OR

b. Left to be fixed in an agreed manner

OR

c. Determined by the course of dealing between the parties [Sec 9(1)].



# Ascertainment of price

- In the absence of the previous conditions, the buyer must pay to seller a reasonable price. What is reasonable price is a question of fact dependent on the circumstances of each particular case. [Sec 9(2)]



# Hire Purchase Agreement

- It is an agreement whereby a seller hires his goods to another person called hirer or hire purchaser on an amount called as down – payment and the rest of the amount to be paid as installments.



## Stipulation in a contract of sale

### Condition [Sec 12(2)]

A condition is a stipulation essential to the main purpose of the contract, the breach of which gives rise to a right to treat the contract as repudiated

### Warranty [Sec 12(3)]

A warranty is a stipulated collateral to the main purpose of the contract, breach of which gives rise to a claim for damages, but not a right to reject the goods and treat the contract as repudiated.

# Doctrine of “Caveat Emptor”

- Caveat Emptor is a Latin phrase meaning, “Let the buyer beware.”
- Under this doctrine, the buyer takes the risk on an item he purchases and cannot complain of a defect.



# Exceptions to Doctrine of Caveat Emptor:

- ❑ Implied condition as to quality or fitness
- ❑ Sale of goods by description
- ❑ Usage of trade
- ❑ Consent by fraud



# Express and implied condition and warranties

## Express condition and warranties



Express condition and warranties are those which have been expressly agreed upon by the parties at the time of contract of sale

## Implied condition and warranties



Implied condition and warranties are those which the law incorporates into the contract unless the parties stipulate to the contrary.

## Implied condition [Sec 14 to 17]

As to  
title

As to  
mercha  
ntability

As to  
description

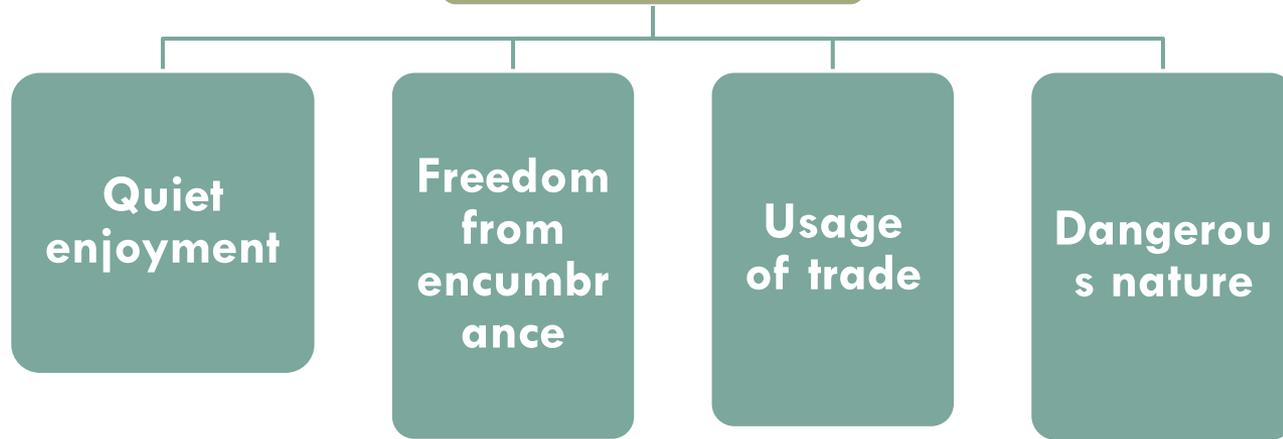
As to  
sample

As to  
quality  
or  
fitness

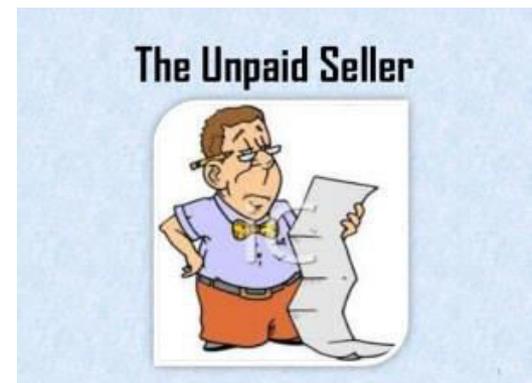
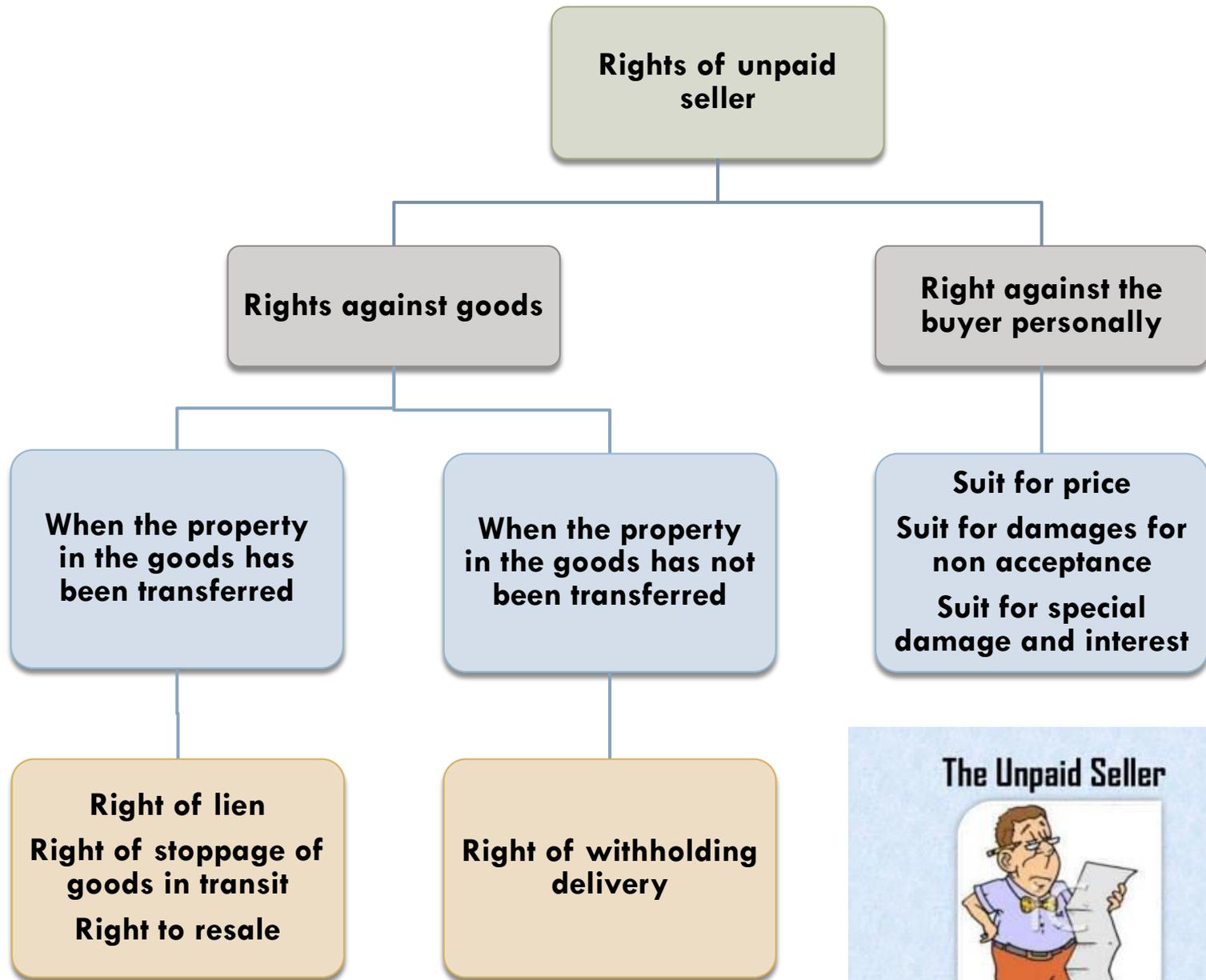
As to  
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**WORKING  
CONDITIONS**

## Implied Warranties



**WARRANTY**





Thank

You