

ZIDD CHARTS

SALES OF GOODS ACT

THE SALE OF GOODS ACT, 1930

UNIT 1

FORMATION OF THE CONTRACT OF SALE

Scope of the act

- Only movable Property
- General provision of Contract Act also applicable
- Expression of Indian Contract Act
- Custom & Usage

- **Buyer & Seller, Goods**
 - All movable property other than money & actionable claim
- **Delivery**
 - Voluntary transfer of Possession from one person to another
- **Document of title**
 - Proof of the possession or control of Goods OR
 - Is for authorising or purporting to authorise either by endorsement or delivery
- **Document showing title**
 - Share certificate is document showing title
- **Property (Special vs General)** → ownership Right
 - Ownership or General property
- **Insolvent**—Ceases to pay his debts in ordinary course
 - [whether he has committed Act of Insolvency or not]
- **Price**—Money Consideration for Sale of Goods
- **Quality**—State or Condition

CONTRACT OF SALE HOW MADE (Section 5)

Section 5(1)

- Offer to buy or sale Goods at Price + Acceptance of offer
- Immediate delivery of Goods Or Immediate Payment Or Both
- Delivery or Payment or both in Installment
- Delivery or Payment or both shall be postponed

Section 5(2)

- Contract may be made
- In writing
 - By word of mouth
 - Partly in writing & partly by word of mouth
 - Implied from conduct of parties

GOODS

Existing

Goods are in existence at the time of Contract of Sale

Future

Goods to be manufacture produced Or acquired after Contract of Sale

Contingent

acquisition depends upon contingency

Specific → Identified and agreed upon at the time of Contract of Sale.

Ascertained → Identified after Contract of Sale, according to Agreement.

Unascertained → Not specifically identified or agreed upon at the time of Contract of Sale.

DELIVERY

Actual

Goods are physically delivered to buyer

Constructive

Effected without change in custody or physical possession: Delivery of Attornment/Acknowledgement

Symbolic

Delivery of things in token of transfer of something else

Contract of Sale

Sale vs Agreement to sell
Agreement to sell → Contract of Sale

Sale vs Agreement to sell

1. Transfer of property
2. Nature of contract
3. Remedies for breach
4. Liabilities of parties
5. Burden of risk
6. Nature of right
7. Right of resale
8. In case of insolvency of seller
9. In case of insolvency of buyer

Token Agreement to sell become sale

When time elapses or Condition is fulfilled

Sale VS Hire Purchase

1. Time of passing of property
2. Position of party
3. Termination of contract
4. Burden of risk of insolvency of buyer
5. Transfer of title
6. Resale

Sale VS Bailment

1. Transfer of property
 2. Return of Goods
 3. Consideration
- Sales and contract for Work and Labour

Subject matter of contract of sale

Section 6

Existing Or Future Goods

Section 7

Goods Perishing before making contract Contract is Void

Section 8

Goods Perishing before sale but after agreement to sell

Section 9 & 10

Ascertainment of Price

by Contract OR Fixed in a manner agreed OR By the course of dealing between Parties

Agreement to sale at Valuation by Third Party

1. Third Party does not OR cannot make such valuation. Contract will be avoided
2. Third Party is prevented by buyer OR seller. Party in fault will file suit.

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UNIT 2-3

Sec- 23

- ① Unascertained Goods
- ② Conform in Quality
- ③ Goods Must be in deliverable state.
- ④ Goods are Unconditionally Appropiated; del. to buy. del. to Contr. del. to Poss.
- ⑤ Appropiated done by Seller with Assent of Buyer done by buyer with assent of Seller.
- ⑥ Assent General Implied
- ⑦ Assent before Act / After Act

CONDITIONS AND WARRANTIES

CONDITIONS

Essential to main Purpose of Contract
↓
Repudiation

WARRANTIES

Collateral to main Purpose of Contract
↓
claim for damaged

CONDITIONS AND WARRANTIES



- Meaning
- Right in case of Breach
- Conversion of Stipulation

- Waiver* (No Intention)
1. Waive Performance of Contract
 2. Elect to Treat Condition as Warranty Compulsory
- Compulsory waiver*
1. Non severability of Contract
 2. Fulfillment of Condition excused by law Stipulation

• Condition can be excused as warranty but not vice versa

Express Terms
Condition Expressly Provides Implied

Implied
Not Expressly provided

Implied Condition

1. Condition as to title
2. Sale by sample
3. Condition as to quality or fitness
4. Condition as to whole some noss
5. Condition as to Description
6. Sale by Sample as well as description
7. Condition as to merchantability

Implied Warranty

- (1) Warranty as to undisturbed possession
- (2) Warranty as to non existence of ~~encumbrances~~ *encumbrances* Change
- (3) Disclosure of dangerous nature of goods.
- (4) Warranty as to quality OR fitness by usage of trade

Statute [Merchantable + Wholesomeness]

CAVEAT Emptor → "Let the buyers be aware"

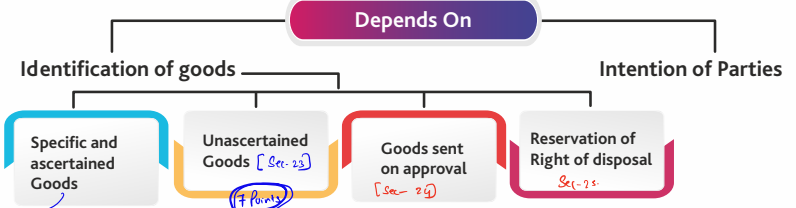
Exceptions —

1. Fitness as to quality OR use where Part & Implied Warranty
2. Goods Purchased under patent or brand name New
3. Goods sold by description
4. Goods of merchandise quality

5. Sale by sample
6. Goods by sample as well as description
7. Trade usage → Implied Warranty
8. Sellers actively conveys the defects New

TRANSFER OF OWNERSHIP AND DELIVERY OF GOODS

TRANSFER OF PROPERTY

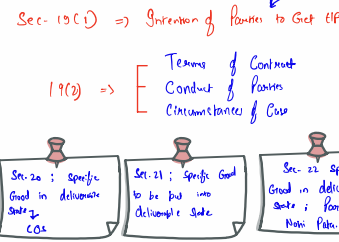


Risk prima facie passes with ownership

unless otherwise agree risk
Prima facie passes with ownership

Exception

- Delivery delayed due to fault of seller
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Duty of Seller as a bailee
- delivery delayed due to fault of buyer



TRANSFER OF TITLE BY NON OWNER



(SEC-33-41) RULES REGARDING DELIVERY OF GOODS

- (1) Delivery [Sec-33]
1. Part delivery [Sec-34]
2. Buyer to apply for delivery [Sec-35]
3. Place of delivery [Sec-36(1)]
4. Time of delivery [Sec-36(2)]
5. Installment delivery
6. Delivery of wrong quantity [Sec-37]
7. Expenses of delivery [Sec-38]
8. Goods in possession of third party
9. Delivery to carrier [Sec-39(1)]
10. ~~Detention~~ *Detention* during transit (Sec-40)
11. Buyer right to examine the goods (Sec-41)
12. Installment delivery (Sec-38)
13. Delivery in wrong quantity
14. Time for tender of delivery [Sec-38(2)]
15. Rules Relation to Account for delivery [Sec-42]
16. Buyer not bound to Return Rejected Goods [Sec-43]
17. Liability of Buyer Negligent Refusing delivery of Goods [Sec-44]

if seller is bound to deliver, then seller should deliver within reasonable time.

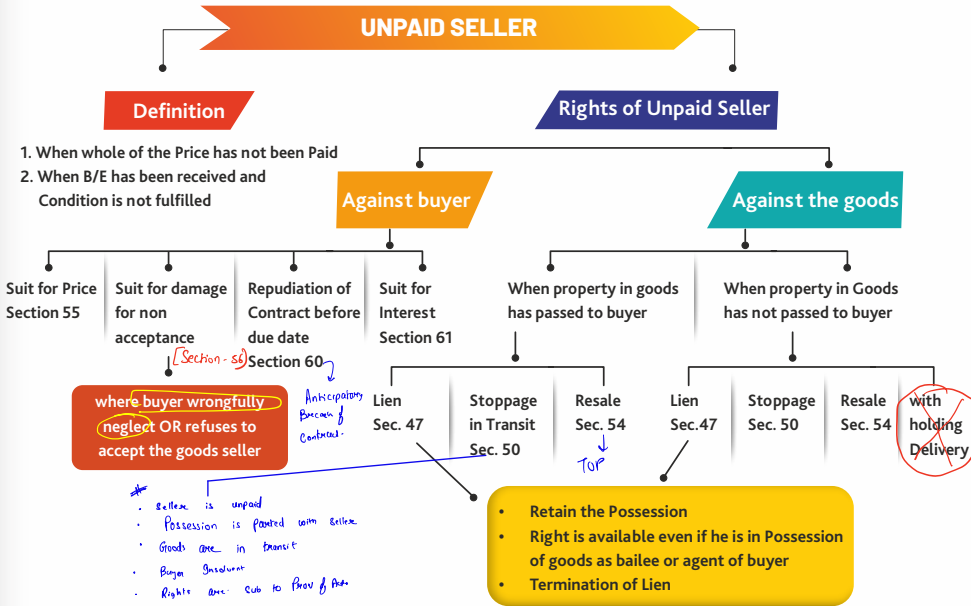
DELIVERY

- Actual delivery
- Symbolic delivery
- Constructive delivery

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UNIT 4

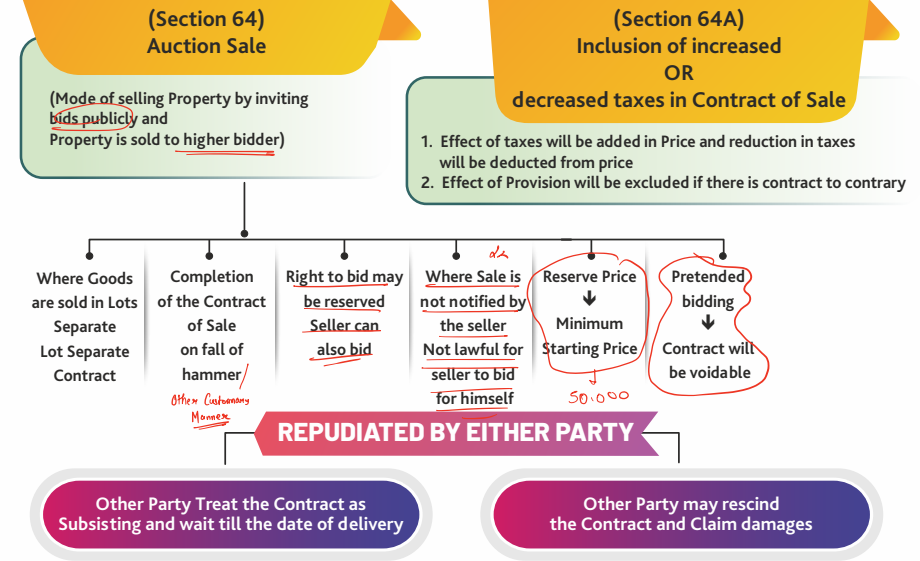
Sec-54 ① Goods of Perishable Nature
 ② Notice Given of Intention of Resale
 ③ Subsequent purchaser will always get valid title
 ④ Rights of Resale Separately Provided → No Notice to given, buyer will not bear the even of notice given



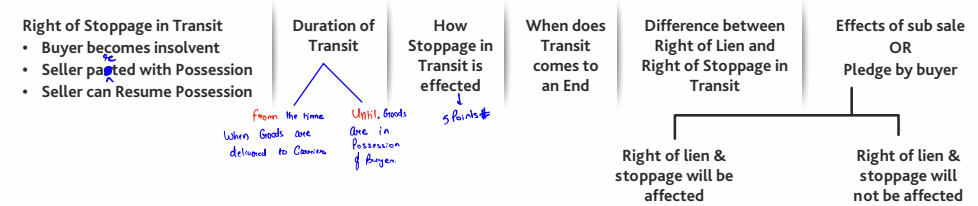
REMEDIES OF BUYER AGAINST SELLER

<p>Damage for non delivery Section 57</p> <p>Seller wrongfully refuses to deliver the goods</p>	<p>Suit for Specific Performance Section 58</p> <ol style="list-style-type: none"> Contract for sale of <u>specific/ascertained</u> Goods Provision of specific Relief act 1963 Damage is not adequate remedy If goods are of <u>special nature</u> OR <u>unique</u> 	<p>Suit for breach of warranty Section 59</p> <p>buyer can not reject the goods due to Breach of Warranty</p>	<p>Suit for anticipatory breach Section 60</p> <p>Buyer can wait until the date of delivery.</p> <p>Treat the Contract as Rescinded and sue for damages</p>	<p>Suit for Interest</p> <p>recover interest when Interest is recoverable as per any Law</p> <p>Advance Payment</p>
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OTHER PROVISIONS



STOPPAGE IN TRANSIT



RIGHT OF RESALE BY SELLER

