

THE SALE OF GOODS ACT, 1930

(3 of 1930) EXPRESSION"



INTRODUCTION

- ❖ The portion regarding Sale of Goods was under the Indian Contract Act, 1872

Indian Contract Act Chapter VII - Sec 76 - 123

Repealed and Indian Sale of Goods Act was made
By Indian Sale of Goods (amendment) Act 1963



**THE SALE OF GOODS ACT,
1930**

SALE OF GOODS ACT, 1930

ASSENT
15th MARCH
1930

IN FORCE
1st JULY
1930



CONTRACT OF SALE

Section 4 Sale and agreement to sell.—

(1) A contract of sales good is a contract whereby the seller transfers or agrees to transfer the property in goods to buyer for a price. There may be a contract of sale between one part-owner and another.

(2) A contract of sale may be **absolute** or **conditional**.

(3) Where under a contract of sale the property in goods is transferred from the seller to the buyer, the contract is called a sale, but where the transfer of the property in the goods is to take place at a future time or subject to some condition thereafter to be fulfilled, the contract is called an agreement to sell.



TRANSFERS/AGREES TO TRANSFER



PROPERTY IN GOODS(Sec 2(7))



PRICE Sec 2(10)



RELEVANT DEFINITIONS

- ❖ Section 2(1) “buyer” means a person who buys or agrees to buy goods;
- ❖ Section 2(3) “goods” means every kind of moveable 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;
- ❖ Section 2(10) “price” means the money consideration for a sale of goods;
- ❖ Section 2(13) “seller” means a person who sells or agrees to sell goods;

Question

1. A agrees to sell his house to B. B is manufacturer of watches and sells only expensive and valued watches. B was so delighted by the offer that he agreed to make the payment and the value for the house was marked as 10 lac. B falling short of 5 lac decided that he will pay cash of rupees 5 lac in form of 20 watches (40 thousand valued each) and rest payment will be done by cash. Decide the sale valid or not.
2. B a person of unsound mind was feeling very sad one day and thought of being generous to come over his state of mind. The only thing that made him happy was by selling his childhood toys. The Toys where no more of his use so he collected them all together. The only problem was that due to his unsoundness he could not understand that along with toys he was also giving away his silver cutleries. B sold everything to A for Price. The sale have 2 parties, transfer of goods and price also paid. Decide validity

Answer 1. the sale is a valid sale. Though where goods are exchanged for goods its not sale, but in the present scenario goods are sold for a definite sum(10 lac) and the price paid partly in terms of valued up goods(watch) and partly in cash is sale.(Also refer case Aldridge v Johnson)

Answer 2. though the sale have essential ingredient 2 parties, transfer of goods and price, But since its **Contract** of sale all the essential requirement for contract of sale is also valid in the present scenario. The Seller is not competent party due to his unsoundness.

SR NO.	NATURE	SALE	AGREEMENT TO SALE
1.	When Transfer's	Present/ immediate	Future date/ after the condition is fulfilled
2.	Risk/Loss on	Buyer(even if in possession of seller)	Seller(even if in possession of buyer)
3.	Right of Re sale	Seller do not generally have right	Subsequent buyer taking in good faith will get good title
4.	Property	Specific and existing	Contingent and Future
5.	Nature of right	Jus in rem(against whole world)	Jus in personam(against a person)

Thank you