

## **Buyer's Rights against Seller**

The buyer has following rights against the seller for breach of contract:

### **1. Damages for Non-delivery**

Where the seller wrongfully neglects or refuses to deliver the goods to the buyer, the buyer may sue the seller for damages for non-delivery. [Sec. 57]

#### **EXAMPLE**

A sells iron to B at Rs. 50,000 per ton. A does not supply the iron. The price increases to Rs. 60,000 per ton. B can sue for damages.

### **2. Suit for Specific Performance**

When there is a breach of contract for the sale of specific goods, the buyer may file a suit for specific performance. This remedy is granted only when damages would not be an adequate remedy. It is granted when subject matter of the contract is rare goods, e.g. picture by a dead painter. [Sec. 58]

#### **EXAMPLE**

A promises to sell B, a rare painting. Later, A refuses to give the painting. B can sue for specific performance.

### **3. Damages for Breach of Warranty**

When there is a breach of warranty by the seller, the buyer is entitled to sue for damages if he has paid the price to the seller. But if the buyer has not yet

paid the price, he may ask the seller for a reasonable reduction in price. [Sec. 59]

### **EXAMPLE**

A promises to sell and deliver tables to B on 1st March, 2005. But A delivers on 10th March. B can claim damages.

#### **4. Cancellation and Damages**

When there is a breach of condition by the seller, the buyer can avoid the contract and claim damages. [Sec. 60]

### **EXAMPLE**

A promises to sell Sony T.V to B. But A sends Sharp T.V. B can avoid the contract and claim damages.

#### **5. Recovery of Price with Interest**

If the buyer has already paid the price to the seller and the seller does not deliver the goods to the buyer, he can sue the seller for refund of the price and interest at a reasonable rate. [Sec. 61]

### **EXAMPLE**

X agrees to buy a fridge from Y and makes payment in advance. Y does not supply. X can sue for refund of price and interest on that amount.

#### **Auction Sale**

Auction sale is a public sale where different buyers come to buy the goods. The goods are sold to the highest bidder. A person may himself sell his own goods by auction or he may appoint an agent called auctioneer to conduct the sale on his behalf.

#### **Rules Regarding Auction Sale**

The following are the rules regarding auction sale: [Sec. 64]

##### **1. Goods in Lots**

When the goods are put up for sale in lots, each lot is prima-facie deemed to be the subject of a separate contract of sale. [Sec. 64(1)]

##### **2. Completion of Sale**

The sale is said to be complete when the auctioneer announces its completion by fall of the hammer or in any other customary manner. [Sec. 64(2)]

##### **3. Withdrawal of Bid**

Until such announcement is made, any bidder may retract from his bid as he is not bound till the sale is complete. [Sec. 64(2)]

##### **4. Right of Seller to Bid**

The seller or any other person on his behalf can bid at the auction, provided such a right to bid has been expressly reserved at the time of notifying the auction sale but if the right is not expressly reserved, then such bidding may be treated as fraudulent by the buyer. [Sec. 64(3)]

## **5. Pretended Bid**

If the seller makes use of the pretended bids to raise the price, the sale is voidable at the option of the buyer. [Sec. 64(6)]

## **6. Reserve Price.**

The sale may be notified to be subject to a reserved price. If the highest bid is less than that price, the auctioneer may refuse to accept the bid.

## **7. Agreement not to Bid**

An agreement between intending buyers not to bid against each other is not illegal. When a group of persons agree to prevent competition between them at an auction and decide that only one of them will bid, it is not an illegal act.

## **8. Seller's Right**

The auctioneer can refuse to sell goods on credit and accept payment by means of negotiable instrument.

## **9. Advertisement of Auction**

An advertisement of an auction is only an invitation to offer and can be cancelled any time without any public notice.