SOG-C03 - 13 PROVISIONS

# Property, Risk, Title and Transfer by Non-Owner

Sale of Goods Act, 1930

Full local statutory text | Finin2min implementation edition | CA Nikhil Gupta and Kajri Singh

**On this page:** Summary Provision map Source status Examples Application Authority Stamp Evidence Performance Remedy Forum ADR Overlays Cases Q&A

s.18 s.19 s.20 s.21 s.22 s.23 s.24 s.25 s.26 s.27 s.28 s.29 s.30

## Finin2min Summary - Chapter in 2 Minutes

### Purpose

This unit converts property, risk, title and transfer by non-owner into statutory, transaction, evidence and remedy decisions.

### Who is covered

Businesses, contracting parties, partners, buyers, sellers, principals, agents and litigants affected by this chapter.

### Main obligations

Read the transaction documents and actual conduct against every statutory limb, exception and connected law.

### Key timelines

Record event, breach, refusal, notice, acknowledgment and filing dates; apply the correct Limitation Act article.

### Forms and evidence

Use the chapter evidence checklist and State/UT forms where registration or public notice applies.

### Top risk

Wrong classification, missing authority, weak evidence, ineffective notice, unverified State process or wrong remedy.

### Remedy

Preserve rights, mitigate loss, quantify exposure and confirm forum, arbitration, limitation and interim relief.

### Finin2min takeaway

Classify - map law - verify authority - prove performance - quantify consequence - select remedy and forum.

# Section-by-section provision map

| Provision | Title | Status | Decision theme |
|---|---|---|---|
| s.18 | Goods must be ascertained | operative | commercial rights and obligations |
| s.19 | Property passes when intended to pass | operative | title, property and risk |
| s.20 | Specific goods in a deliverable state | operative | commercial rights and obligations |

| | | | |
|---|---|---|---|
| s.21 | Specific goods to be put into a deliverable state | operative | commercial rights and obligations |
| s.22 | Specific goods in a deliverable state, when the seller has to do anything thereto in order to ascertain price | operative | price, payment and financial consequence |
| s.23 | Sale of unascertained goods and appropriation | operative | title, property and risk |
| s.24 | Goods sent on approval or on sale or return | operative | commercial rights and obligations |
| s.25 | Reservation of right of disposal | operative | title, property and risk |
| s.26 | Risk prima facie passes with property | operative | title, property and risk |
| s.27 | Sale by person not the owner | operative | title, property and risk |
| s.28 | Sale by one of joint owners | operative | title, property and risk |
| s.29 | Sale by person in possession under voidable contract | operative | validity and consent |
| s.30 | Seller or buyer in possession after sale | operative | title, property and risk |

## Legal status, amendments and source protocol

**Act:** Sale of Goods Act, 1930; Act 3 of 1930; commencement 1 July 1930.

**Source protocol:** Complete central provision text is reproduced locally. Local public-domain central Act transcription reconciled to India Code structure. Official India Code and Gazette instruments prevail if any discrepancy is identified.

## Full statutory text and Finin2min decode

## Section 18 - Goods must be ascertained

**Local statutory-text source control:** Local public-domain central Act transcription reconciled to India Code structure. [Official India Code source] prevails.

### Current statutory text

Where there is a contract for the sale of unascertained goods, no property in the goods is transferred to the buyer unless and until the goods are ascertained.

### Finin2min clause-by-clause decode

| Clause | Statutory requirement | Finin2min meaning | Evidence/control |
| --- | --- | --- | --- |
| **Main rule** | Where there is a contract for the sale of unascertained goods, no property in the goods is transferred to the buyer unless and until the goods are ascertained. | Test this main limb within the commercial rights and obligations framework. Operational focus: where there is a contract for the sale of unascertained goods, no property in the goods is transferred. | Contract/deed, authority, chronology, notices, performance and payment records tied to this limb. |

### Finin2min implementation explanation

Section 18 is a commercial rights and obligations provision dealing with goods must be ascertained. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

**Implementation control:** Translate the provision into an owner, trigger, approval, evidence, deadline, exception and remedy control, then test connected law and State variation.

### Section-level practical application

#### Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

#### Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

## Section 19 - Property passes when intended to pass

**Local statutory-text source control:** Local public-domain central Act transcription reconciled to India Code structure. Official India Code source prevails.

### Current statutory text

(1) Where there is a contract for the sale of specific or ascertained goods the property in them is transferred to the buyer at such time as the parties to the contract intend it to be transferred.
(2) For the purpose of ascertaining the intention of the parties regard shall be had to the terms of the contract, the conduct of the parties and the circumstances of the case.
(3) Unless a different intention appears, the rules contained in sections 20 to 24 are rules for ascertaining the intention of the parties as to the time at which the property in the goods is to pass to the buyer.

### Finin2min clause-by-clause decode

| Clause | Statutory requirement | Finin2min meaning | Evidence/control |
|---|---|---|---|
| **(1)** | Where there is a contract for the sale of specific or ascertained goods the property in them is transferred to the buyer at such time as the parties to the contract intend it to be transferred. | Test this (1) within the title, property and risk framework. Operational focus: where there is a contract for the sale of specific or ascertained goods the property in them is. | Contract/deed, authority, chronology, notices, performance and payment records tied to this limb. |
| **(2)** | For the purpose of ascertaining the intention of the parties regard shall be had to the terms of the contract, the conduct of the parties and the circumstances of the case. | Test this (2) within the title, property and risk framework. Operational focus: for the purpose of ascertaining the intention of the parties regard shall be had to the terms of. | Contract/deed, authority, chronology, notices, performance and payment records tied to this limb. |
| **(3)** | Unless a different intention appears, the rules contained in sections 20 to 24 are rules for ascertaining the intention of the parties as to the time at which the property in the goods is to pass to the buyer. | Test this (3) within the title, property and risk framework. Operational focus: unless a different intention appears, the rules contained in sections 20 to 24 are rules for ascertaining the. | Contract/deed, authority, chronology, notices, performance and payment records tied to this limb. |

## Finin2min implementation explanation

Section 19 is a title, property and risk provision dealing with property passes when intended to pass. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

**Implementation control:** Prepare a title-risk timeline covering identification, appropriation, notice, delivery, documents of title, reservation of disposal and good-faith third-party rights.

## Section-level practical application

### Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

### Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

## Section 20 - Specific goods in a deliverable state

**Local statutory-text source control:** Local public-domain central Act transcription reconciled to India Code structure. Official India Code source prevails.

### Current statutory text

Where there is an unconditional contract for the sale of specific goods in a deliverable state, the property in the goods passes to the buyer when the contract is made, and it is immaterial whether the time of payment of the price or the time of delivery of the goods, or both, is postponed.

### Finin2min clause-by-clause decode

| Clause | Statutory requirement | Finin2min meaning | Evidence/control |
|---|---|---|---|
| **Main rule** | Where there is an unconditional contract for the sale of specific goods in a deliverable state, the property in the goods passes to the buyer when the contract is made, and it is immaterial whether the time of payment of the price or the time of delivery of the goods, or both, is postponed. | Test this main limb within the commercial rights and obligations framework. Operational focus: where there is an unconditional contract for the sale of specific goods in a deliverable state, the property. | Contract/deed, authority, chronology, notices, performance and payment records tied to this limb. |

### Finin2min implementation explanation

Section 20 is a commercial rights and obligations provision dealing with specific goods in a deliverable state. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

**Implementation control:** Translate the provision into an owner, trigger, approval, evidence, deadline, exception and remedy control, then test connected law and State variation.

### Section-level practical application

#### Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

#### Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

## Section 21 - Specific goods to be put into a deliverable state

**Local statutory-text source control:** Local public-domain central Act transcription reconciled to India Code structure. Official India Code source prevails.

### Current statutory text

Where there is a contract for the sale of specific goods and the seller is bound to do something to the goods for the purpose of putting them into a deliverable state, the property does not pass until such thing is done and the buyer has notice thereof.

### Finin2min clause-by-clause decode

| Clause | Statutory requirement | Finin2min meaning | Evidence/control |
|---|---|---|---|
| **Main rule** | Where there is a contract for the sale of specific goods and the seller is bound to do something to the goods for the purpose of putting them into a deliverable state, the property does not pass until such thing is done and the buyer has notice thereof. | Test this main limb within the commercial rights and obligations framework. Operational focus: where there is a contract for the sale of specific goods and the seller is bound to do. | Contract/deed, authority, chronology, notices, performance and payment records tied to this limb. |

### Finin2min implementation explanation

Section 21 is a commercial rights and obligations provision dealing with specific goods to be put into a deliverable state. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

**Implementation control:** Translate the provision into an owner, trigger, approval, evidence, deadline, exception and remedy control, then test connected law and State variation.

### Section-level practical application

#### Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

#### Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

## Section 22 - Specific goods in a deliverable state, when the seller has to do anything thereto in order to ascertain price

**Local statutory-text source control:** Local public-domain central Act transcription reconciled to India Code structure. Official India Code source prevails.

### Current statutory text

Where there is a contract for the sale of specific goods in a deliverable state, but the seller is bound to weigh, measure, test or do some other act or thing with reference to the goods for the purpose of ascertaining the price, the property does not pass until such act or thing is done and the buyer has notice thereof.

### Finin2min clause-by-clause decode

| Clause | Statutory requirement | Finin2min meaning | Evidence/control |
|---|---|---|---|
| **Main rule** | Where there is a contract for the sale of specific goods in a deliverable state, but the seller is bound to weigh, measure, test or do some other act or thing with reference to the goods for the purpose of ascertaining the price, the property does not pass until such act or thing is done and the buyer has notice thereof. | Test this main limb within the price, payment and financial consequence framework. Operational focus: where there is a contract for the sale of specific goods in a deliverable state, but the seller. | Contract/deed, authority, chronology, notices, performance and payment records tied to this limb. |

### Finin2min implementation explanation

Section 22 is a price, payment and financial consequence provision dealing with specific goods in a deliverable state, when the seller has to do anything thereto in order to ascertain price. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

**Implementation control:** Reconcile base price, taxes, credits, deductions, interest, due dates and payment proof. Link every adjustment to the contract and statute.

### Section-level practical application

#### Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

#### Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

#### Section 23 - Sale of unascertained goods and appropriation

**Local statutory-text source control:** Local public-domain central Act transcription reconciled to India Code structure. [Official India Code source] prevails.

### Current statutory text

(1) Where there is a contract for the sale of unascertained or future goods by description and goods of that description and in a deliverable state are unconditionally appropriated to the contract, either by the seller with the assent of the buyer or by the buyer with the assent of the seller, the property in the goods thereupon passes to the buyer. Such assent may be express or implied, and may be given either before or after the appropriation is made.
(2) Where, in pursuance of the contract, the seller delivers the goods to the buyer or to a carrier or other bailee, whether named by the buyer or not, for the purpose of transmission to the buyer, and does not reserve the right of disposal, he is deemed to have unconditionally appropriated the goods to the contract.

### Finin2min clause-by-clause decode

| Clause | Statutory requirement | Finin2min meaning | Evidence/ control |
|---|---|---|---|
| **(1)** | Where there is a contract for the sale of unascertained or future goods by description and goods of that description and in a deliverable state are unconditionally appropriated to the contract, either by the seller with the assent of the buyer or by the buyer with the assent of the seller, the property in the goods thereupon passes to the buyer. Such assent may be express or implied, and may be given either before or after the appropriation is made. | Test this (1) within the title, property and risk framework. Operational focus: where there is a contract for the sale of unascertained or future goods by description and goods of. | Contract/deed, authority, chronology, notices, performance and payment records tied to this limb. |
| **(2)** | Where, in pursuance of the contract, the seller delivers the goods to the buyer or to a carrier or other bailee, whether named by the buyer or not, for the purpose of transmission to the buyer, and does not reserve the right of disposal, he is deemed to have unconditionally appropriated the goods to the contract. | Test this (2) within the title, property and risk framework. Operational focus: where, in pursuance of the contract, the seller delivers the goods to the buyer or to a carrier. | Contract/deed, authority, chronology, notices, performance and payment records tied to this limb. |

### Finin2min implementation explanation

Section 23 is a title, property and risk provision dealing with sale of unascertained goods and appropriation. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

**Implementation control:** Prepare a title-risk timeline covering identification, appropriation, notice, delivery, documents of title, reservation of disposal and good-faith third-party rights.

### Section-level practical application

#### Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

#### Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

Section 24 - Goods sent on approval or on sale or return

**Local statutory-text source control:** Local public-domain central Act transcription reconciled to India Code structure. Official India Code source prevails.

## Current statutory text

When goods are delivered to the buyer on approval or "on sale or return" or other similar terms, the property therein passes to the buyer-
(a) when he signifies his approval or acceptance to the seller or does any other act adopting the transaction;
(b) if he does not signify his approval or acceptance to the seller but retains the goods without giving notice of rejection, then, if a time has been fixed for the return of the goods, on the expiration of such time, and, if no time has been fixed, on the expiration of a reasonable time.

## Finin2min clause-by-clause decode

| Clause | Statutory requirement | Finin2min meaning | Evidence/control |
|---|---|---|---|
| **Main rule** | When goods are delivered to the buyer on approval or "on sale or return" or other similar terms, the property therein passes to the buyer- | Test this main limb within the commercial rights and obligations framework. Operational focus: when goods are delivered to the buyer on approval or "on sale or return" or other similar terms. | Contract/deed, authority, chronology, notices, performance and payment records tied to this limb. |
| **(a)** | when he signifies his approval or acceptance to the seller or does any other act adopting the transaction | Test this (a) within the commercial rights and obligations framework. Operational focus: when he signifies his approval or acceptance to the seller or does any other act adopting the transaction. | Contract/deed, authority, chronology, notices, performance and payment records tied to this limb. |
| **(b)** | if he does not signify his approval or acceptance to the seller but retains the goods without giving notice of rejection, then, if a time has been fixed for the return of the goods, on the expiration of such time, and, if no | Test this (b) within the commercial rights and obligations framework. Operational focus: if he does not signify his approval or acceptance to | Contract/deed, authority, chronology, notices, performance and payment records tied to this limb. |

| | | | |
|---|---|---|---|
| | time has been fixed, on the expiration of a reasonable time. | the seller but retains the goods without giving. | |

### Finin2min implementation explanation

> Section 24 is a commercial rights and obligations provision dealing with goods sent on approval or on sale or return. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.
>
> **Implementation control:** Translate the provision into an owner, trigger, approval, evidence, deadline, exception and remedy control, then test connected law and State variation.

### Section-level practical application

#### Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

#### Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

Section 25 - Reservation of right of disposal

**Local statutory-text source control:** Local public-domain central Act transcription reconciled to India Code structure. Official India Code source prevails.

## Current statutory text

(1) Where there is a contract for the sale of specific goods or where goods are subsequently appropriated to the contract, the seller may, by the terms of the contract or appropriation, reserve the right of disposal of the goods until certain conditions are fulfilled. In such case, notwithstanding the delivery of the goods to a buyer, or to a carrier or other bailee for the purpose of transmission to the buyer, the property in the goods does not pass to the buyer until the conditions imposed by the seller are fulfilled.
(2) Where goods are shipped or delivered to a railway administration for carriage by railway and by the bill of lading or railway receipt, as the case may be, the goods are deliverable to the order of the seller or his agent, the seller is prima facie deemed to reserve the right of disposal.
(3) Where the seller of goods draws on the buyer for the price and transmits to the buyer the bill of exchange together with the bill of lading or railway receipt, as the case may be, to secure acceptance or payment of the bill of exchange, the buyer is bound to return the bill of lading or railway receipt if he does not honour the bill of exchange; and, if he wrongfully retains it, the property in the goods does not pass to him.
Explanation.- In this section, the expressions "railway" and "railway administration" have the meanings assigned to them by the law relating to railways for the time being in force.

## Finin2min clause-by-clause decode

| Clause | Statutory requirement | Finin2min meaning | Evidence/ control |
|---|---|---|---|
| **(1)** | Where there is a contract for the sale of specific goods or where goods are subsequently appropriated to the contract, the seller may, by the terms of the contract or appropriation, reserve the right of disposal of the goods until certain conditions are fulfilled. In such case, notwithstanding the delivery of the goods to a buyer, or to a carrier or other bailee for the purpose of transmission to the buyer, the property in the goods does not pass to the buyer until the conditions imposed by the seller are fulfilled. | Test this (1) within the title, property and risk framework. Operational focus: where there is a contract for the sale of specific goods or where goods are subsequently appropriated to. | Contract/deed, authority, chronology, notices, performance and payment records tied to this limb. |
| **(2)** | Where goods are shipped or delivered to a railway administration for carriage | Test this (2) within the title, property and risk | Contract/deed, authority, |

| | | | |
|---|---|---|---|
| | by railway and by the bill of lading or railway receipt, as the case may be, the goods are deliverable to the order of the seller or his agent, the seller is prima facie deemed to reserve the right of disposal. | framework. Operational focus: where goods are shipped or delivered to a railway administration for carriage by railway and by the bill. | chronology, notices, performance and payment records tied to this limb. |
| **(3)** | Where the seller of goods draws on the buyer for the price and transmits to the buyer the bill of exchange together with the bill of lading or railway receipt, as the case may be, to secure acceptance or payment of the bill of exchange, the buyer is bound to return the bill of lading or railway receipt if he does not honour the bill of exchange; and, if he wrongfully retains it, the property in the goods does not pass to him. | Test this (3) within the title, property and risk framework. Operational focus: where the seller of goods draws on the buyer for the price and transmits to the buyer the. | Contract/deed, authority, chronology, notices, performance and payment records tied to this limb. |
| **Explanation.-** | In this section, the expressions "railway" and "railway administration" have the meanings assigned to them by the law relating to railways for the time being in force. | Test this explanation.- within the title, property and risk framework. Operational focus: in this section, the expressions "railway" and "railway administration" have the meanings assigned to them by the law. | Contract/deed, authority, chronology, notices, performance and payment records tied to this limb. |

### Finin2min implementation explanation

Section 25 is a title, property and risk provision dealing with reservation of right of disposal. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

**Implementation control:** Prepare a title-risk timeline covering identification, appropriation, notice, delivery, documents of title, reservation of disposal and good-faith third-party rights.

### Section-level practical application

#### Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

#### Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

### Section 26 - Risk prima facie passes with property

**Local statutory-text source control:** Local public-domain central Act transcription reconciled to India Code structure. Official India Code source prevails.

#### Current statutory text

Unless otherwise agreed, the goods remain at the seller's risk until the property therein is transferred to the buyer, but when the property therein is transferred to the buyer, the goods are at the buyer's risk whether delivery has been made or not:
Provided that, where delivery has been delayed through the fault of either buyer or seller, the goods are at the risk of the party in fault as regards any loss which might not have occurred but for such fault:
Provided also that nothing in this section shall affect the duties or liabilities of either seller or buyer as bailee of the goods of the other party.

#### Finin2min clause-by-clause decode

| Clause | Statutory requirement | Finin2min meaning | Evidence/control |
|---|---|---|---|
| **Main rule** | Unless otherwise agreed, the goods remain at the seller's risk until the property therein is transferred to the buyer, but when the property therein is transferred to the buyer, the goods are at the buyer's risk whether delivery has been made or not: | Test this main limb within the title, property and risk framework. Operational focus: unless otherwise agreed, the goods remain at the seller's risk until the property therein is transferred to the. | Contract/deed, authority, chronology, notices, performance and payment records tied to this limb. |
| **Provided that** | , where delivery has been delayed through the fault of either buyer or seller, the goods are at the risk of the party in fault as regards any loss which might not have occurred but for such fault: | Test this provided that within the title, property and risk framework. Operational focus: , where delivery has been delayed through the fault of either buyer or seller, the goods are at. | Contract/deed, authority, chronology, notices, performance and payment records tied to this limb. |
| **Provided also that** | nothing in this section shall affect the duties or liabilities of either seller or buyer as bailee of the goods of the other party. | Test this provided also that within the title, property and risk framework. Operational focus: nothing in this section shall affect the duties or liabilities of either seller or buyer as bailee of. | Contract/deed, authority, chronology, notices, performance and payment records tied to this limb. |

### Finin2min implementation explanation

Section 26 is a title, property and risk provision dealing with risk prima facie passes with property. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

**Implementation control:** Prepare a title-risk timeline covering identification, appropriation, notice, delivery, documents of title, reservation of disposal and good-faith third-party rights.

### Section-level practical application

#### Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

#### Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

### Section 27 - Sale by person not the owner

**Local statutory-text source control:** Local public-domain central Act transcription reconciled to India Code structure. [Official India Code source] prevails.

#### Current statutory text

Subject to the provisions of this Act and of any other law for the time being in force, where goods are sold by a person who is not the owner thereof and who does not sell them under the authority or with the consent of the owner, the buyer acquires no better title to the goods than the seller had, unless the owner of the goods is by his conduct precluded from denying the seller's authority to sell:
Provided that, where a mercantile agent is, with the consent of the owner, in possession of the goods or of a document of title to the goods, any sale made by him, when acting in the ordinary course of business of a mercantile agent, is as valid as if he were expressly authorised by the owner, provided that the buyer acts in good faith and has not at the time of the contract of sale notice that the seller has no authority to sell.

#### Finin2min clause-by-clause decode

| Clause | Statutory requirement | Finin2min meaning | Evidence/control |
|---|---|---|---|
| **Main rule** | Subject to the provisions of this Act and of any other law for the time being in force, where goods are sold by a person who is not the owner thereof and who does not sell them under the authority or with the consent of the owner, the buyer acquires no better title to the goods than the seller had, unless the owner of the goods is by his conduct precluded from denying the seller's authority to sell: | Test this main limb within the title, property and risk framework. Operational focus: subject to the provisions of this act and of any other law for the time being in force. | Contract/deed, authority, chronology, notices, performance and payment records tied to this limb. |
| **Provided that** | , where a mercantile agent is, with the consent of the owner, in possession of the goods or of a document of title to the goods, any sale made by him, when acting in the ordinary course of business of a mercantile agent, is as valid as if he were expressly authorised by the owner, provided that the buyer acts in good faith and has not at the time of the contract of sale notice that the seller has no authority to sell. | Test this provided that within the title, property and risk framework. Operational focus: , where a mercantile agent is, with the consent of the owner, in possession of the goods or. | Contract/deed, authority, chronology, notices, performance and payment records tied to this limb. |

### Finin2min implementation explanation

Section 27 is a title, property and risk provision dealing with sale by person not the owner. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

**Implementation control:** Prepare a title-risk timeline covering identification, appropriation, notice, delivery, documents of title, reservation of disposal and good-faith third-party rights.

### Section-level practical application

#### Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

#### Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

## Section 28 - Sale by one of joint owners

**Local statutory-text source control:** Local public-domain central Act transcription reconciled to India Code structure. [Official India Code source] prevails.

### Current statutory text

If one of several joint owners of goods has the sole possession of them by permission of the co-owners, the property in the goods is transferred to any person who buys them of such joint owner in good faith and has not at the time of the contract of sale notice that the seller has no authority to sell.

### Finin2min clause-by-clause decode

| Clause | Statutory requirement | Finin2min meaning | Evidence/control |
| --- | --- | --- | --- |
| **Main rule** | If one of several joint owners of goods has the sole possession of them by permission of the co-owners, the property in the goods is transferred to any person who buys them of such joint owner in good faith and has not at the time of the contract of sale notice that the seller has no authority to sell. | Test this main limb within the title, property and risk framework. Operational focus: if one of several joint owners of goods has the sole possession of them by permission of the. | Contract/deed, authority, chronology, notices, performance and payment records tied to this limb. |

### Finin2min implementation explanation

Section 28 is a title, property and risk provision dealing with sale by one of joint owners. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

**Implementation control:** Prepare a title-risk timeline covering identification, appropriation, notice, delivery, documents of title, reservation of disposal and good-faith third-party rights.

### Section-level practical application

#### Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

#### Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

### Section 29 - Sale by person in possession under voidable contract

**Local statutory-text source control:** Local public-domain central Act transcription reconciled to India Code structure. Official India Code source prevails.

#### Current statutory text

When the seller of goods has obtained possession thereof under a contract voidable under section 19 or section 19A of the Indian Contract Act, 1872, but the contract has not been rescinded at the time of the sale, the buyer acquires a good title to the goods, provided he buys them in good faith and without notice of the seller's defect of title.

#### Finin2min clause-by-clause decode

| Clause | Statutory requirement | Finin2min meaning | Evidence/control |
|---|---|---|---|
| Main rule | When the seller of goods has obtained possession thereof under a contract voidable under section 19 or section 19A of the Indian Contract Act, 1872, but the contract has not been rescinded at the time of the sale, the buyer acquires a good title to the goods, provided he buys them in good faith and without notice of the seller's defect of title. | Test this main limb within the validity and consent framework. Operational focus: when the seller of goods has obtained possession thereof under a contract voidable under section 19 or section. | Contract/deed, authority, chronology, notices, performance and payment records tied to this limb. |

#### Finin2min implementation explanation

Section 29 is a validity and consent provision dealing with sale by person in possession under voidable contract. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

**Implementation control:** Preserve negotiations, disclosures and approvals. Test capacity, free consent, lawful object, severability, restitution and ratification as separate questions.

### Section-level practical application

#### Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

#### Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

Section 30 - Seller or buyer in possession after sale

**Local statutory-text source control:** Local public-domain central Act transcription reconciled to India Code structure. [Official India Code source] prevails.

### Current statutory text

(1) Where a person, having sold goods, continues or is in possession of the goods or of the documents of title to the goods, the delivery or transfer by that person or by a mercantile agent acting for him of the goods or documents of title under any sale, pledge or other disposition thereof to any person receiving the same in good faith and without notice of the previous sale shall have the same effect as if the person making the delivery or transfer were expressly authorised by the owner of the goods to make the same.
(2) Where a person, having bought or agreed to buy goods, obtains with the consent of the seller possession of the goods or the documents of title to the goods, the delivery or transfer by that person or by a mercantile agent acting for him, of the goods or documents of title under any sale, pledge or other disposition thereof to any person receiving the same in good faith and without notice of any lien or other right of the original seller in respect of the goods shall have effect as if such lien or right did not exist.

### Finin2min clause-by-clause decode

| Clause | Statutory requirement | Finin2min meaning | Evidence/ control |
|---|---|---|---|
| **(1)** | Where a person, having sold goods, continues or is in possession of the goods or of the documents of title to the goods, the delivery or transfer by that person or by a mercantile agent acting for him of the goods or documents of title under any sale, pledge or other disposition thereof to any person receiving the same in good faith and without notice of the previous sale shall have the same effect as if the person making the delivery or transfer were expressly authorised by the owner of the goods to make the same. | Test this (1) within the title, property and risk framework. Operational focus: where a person, having sold goods, continues or is in possession of the goods or of the documents. | Contract/deed, authority, chronology, notices, performance and payment records tied to this limb. |
| **(2)** | Where a person, having bought or agreed to buy goods, obtains with the consent of the seller possession of the goods or the documents of title to the goods, the delivery or transfer by that person or by a mercantile agent acting for him, of the goods or documents of title under any sale, pledge or | Test this (2) within the title, property and risk framework. Operational focus: where a person, having bought or agreed to buy goods, | Contract/deed, authority, chronology, notices, performance and payment records tied to this limb. |

| | | | |
|---|---|---|---|
| | other disposition thereof to any person receiving the same in good faith and without notice of any lien or other right of the original seller in respect of the goods shall have effect as if such lien or right did not exist. | obtains with the consent of the seller possession. | |

### Finin2min implementation explanation

Section 30 is a title, property and risk provision dealing with seller or buyer in possession after sale. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

**Implementation control:** Prepare a title-risk timeline covering identification, appropriation, notice, delivery, documents of title, reservation of disposal and good-faith third-party rights.

### Section-level practical application

#### Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

#### Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

# Practical examples and calculations

### Chapter scenario

A live transaction raises issues concerning property, risk, title and transfer by non-owner. Freeze the event date, map each statutory condition, preserve authority and performance evidence, quantify exposure and choose remedy only after limitation and forum review.

| Calculation | Method | Evidence |
| --- | --- | --- |
| Price / consideration | Reconcile base amount, GST/tax, credits, retention, deductions and payment terms. | Contract, invoice, ledger, tax documents and bank proof. |
| Loss / compensation | Separate direct loss, consequential loss, avoided cost, mitigation, restitution, interest and stipulated sum. | Loss model, market evidence and mitigation log. |
| Partner settlement | Reconcile capital, current accounts, loans, drawings, profit share, assets, liabilities and goodwill. | Deed, ledgers, bank records and valuation. |
| Limitation | Record accrual, breach/refusal, notice, acknowledgment, exclusion and filing date. | Chronology and limitation memorandum. |

# Practical transaction application

1. Identify the transaction, relationship, parties and event date.
2. Map every provision to the contract/deed and actual conduct.
3. Record conditions satisfied, disputed, waived, excused or prevented.
4. Reconcile authority, delivery/performance, acceptance, payment and notices.
5. Quantify exposure and choose cure, termination, recovery, settlement or litigation strategy.

# Authority, consent and execution controls

### Authority

- Correct legal entities and counterparties.
- Board, partner, power-of-attorney or delegated authority.
- Ordinary-course and implied-authority limits.
- Third-party knowledge of restrictions.

### Consent

- Offer, acceptance and agreed version.
- Capacity, free consent and disclosures.
- Conditions precedent and approvals.
- No unauthorised post-execution alteration.

### Execution

- Complete schedules and annexures.
- Witnessing, attestation and e-sign audit trail.
- Counterparts, date and place.
- Original and certified-copy custody.

## Stamp duty and registration alerts

Stamp duty is State/UT-specific. Classify the true instrument, place of execution or receipt, consideration and property. Registration is a separate enquiry. Insufficient stamping may require impounding; non-registration may affect property and third-party enforceability.

| Instrument | Alert |
| --- | --- |
| Commercial agreement | Do not default to a generic article if the substance is indemnity, guarantee, security, transfer, lease or another specifically charged instrument. |
| Partnership deed/ reconstitution | Check capital contribution, immovable property, retirement/dissolution and Registrar filing separately. |
| Sale of movable goods | Coordinate contract, invoice, GST/e-invoice, transport and sectoral records. |
| Property-related relief | Check compulsory registration, title, court fee and decree-registration effects. |

# Evidence and document-retention checklist

### Core file

- Purchase order and accepted terms
- Specification, description and sample
- Title and document-of-title record
- Dispatch, carrier and delivery proof
- Inspection, rejection and acceptance record
- Invoice, GST and payment evidence
- Lien or stoppage notice
- Resale and loss working

### Electronic evidence

- Native email/message and metadata.
- Version history and e-sign certificate.
- System logs and acknowledgements.
- Legal hold and defensible export.

### Retention

- Executed originals and amendments.
- Authority and entity records.
- Tax, payment and accounting records.
- Claims and litigation records through final disposal.

### Forms, registers and operational records

| Record/form | Control |
|---|---|
| No universal statutory form | Commercial documents and sectoral/GST forms govern the operational record. |
| Goods receipt and inspection record | Capture quantity, quality, defects, sample comparison and acceptance/rejection date. |
| Unpaid-seller action file | Record possession, transit status, buyer insolvency, lien/stoppage notice and resale steps. |

## Performance, delivery and payment controls

| Stage | Control | Proof |
|---|---|---|
| Obligation matrix | List each reciprocal obligation, owner, due date, dependency and consequence. | Signed matrix tied to contract sections. |
| Delivery/ performance | Record dispatch, carrier, title/risk point, milestones, inspection and acceptance/rejection. | Delivery documents, certificates and correspondence. |
| Payment | Reconcile invoice, tax, credit, retention, set-off, due date and bank receipt. | Invoice, e-invoice, ledger and bank proof. |
| Change/cure | Use authorised variation and cure procedures; avoid informal waiver. | Change order, approval and cure closure. |

# Breach, loss, mitigation and remedy framework

1. Identify the exact obligation and legally material breach.
2. Confirm causation, remoteness, foreseeability and proof of loss.
3. Record mitigation, avoided cost and substitute performance.
4. Test damages, price, restitution, lien, stoppage, accounts, dissolution, specific performance, injunction, rescission, rectification, cancellation or declaration.
5. Check remedy election, double recovery, caps/exclusions and public policy.

## Limitation and forum controls

| Control | Analysis |
|---|---|
| Accrual | Classify cause of action and record breach, refusal, knowledge, demand and continuing-obligation dates. |
| Limitation | Apply the correct article; test acknowledgment, part-payment, exclusion and disability. |
| Jurisdiction | Check territorial/pecuniary rules, Commercial Courts threshold, exclusive forum and special court. |
| Interim relief | Assess preservation, injunction, receiver, security and evidence protection. |
| Appeal/ enforcement | Map decree/award challenge, execution, interest and cross-border enforcement. |

# Arbitration and mediation interface

- Validate agreement, signatories, scope, seat, rules and appointment mechanism.
- Separate substantive rights from forum selection and identify non-arbitrable issues.
- Check interim measures, consolidation, joinder and multi-contract issues.
- Preserve limitation during negotiation or mediation.
- Record settlement authority, confidentiality, tax, stamp and enforceability.

## Company, partnership, GST and tax overlays

| Overlay | Questions |
| --- | --- |
| Companies Act | Authority, objects, approvals, related-party, loan/guarantee/security and disclosure requirements. |
| Partnership/LLP | Deed/LLP authority, current constitution and public records. |
| GST | Supply, time/place/value, invoice/e-invoice, ITC, credit note, advance, damages and settlement treatment. |
| Income tax/TDS | Withholding, partner remuneration/interest, capital/revenue, bad debt, settlement and transfer consequences. |
| IBC/FEMA/ consumer | Moratorium and avoidance, cross-border payment/governing law, consumer and e-commerce protection. |

## Binding and foundational judicial principles

| Authority | Principle | Verification |
| --- | --- | --- |
| State of Madras v. Gannon Dunkerley & Co. | A sale traditionally requires an agreement, transfer of property in goods and price; composite transactions require statutory overlay analysis. | Verify official judgment and later treatment. |
| J.P. Coats Ltd. v. National Sewing Thread Co. | Description, conformity and commercial identity are assessed from the contract and transaction context. | Verify official judgment and later treatment. |
| Commissioner of Sales Tax v. Purshottam Premji | The substance of transfer and property in goods matters when classifying a transaction as sale. | Verify official judgment and later treatment. |

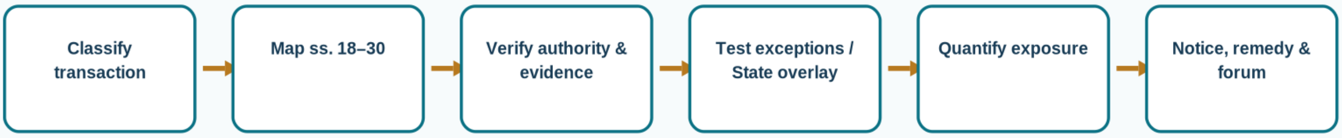
# Central and State/UT variation alerts

> GST, consumer, e-commerce, legal metrology, transport and State trade overlays may affect implementation.

Use the State/UT variation register in the data folder for the live source checklist.

# Chapter-specific decision flowchart

### SOG-C03 · Finin2min decision path




Intention, ascertainment, risk, reservation of disposal, nemo dat and exceptions. Verify the current official source before professional reliance.

# Finin2min Q&A

### What decision does SOG-C03 help a business make?

It determines how property, risk, title and transfer by non-owner should be classified, documented, performed and enforced under sections 18-30 of the Sale of Goods Act, 1930.

### Which provision should be read first in SOG-C03?

Begin with section 18 (Goods must be ascertained) and then read the connected definitions, exceptions and remedy provisions in sequence.

### What is the principal implementation risk in SOG-C03?

Applying a commercial label without proving the statutory conditions for property, risk, title and transfer by non-owner, or acting without authority, notice, performance and payment evidence.

### Which execution checks are specific to SOG-C03?

Confirm the correct entities, signatory authority, consent, complete annexures, stamp and registration treatment, digital audit trail and approvals relevant to property, risk, title and transfer by non-owner.

### How should evidence be indexed for SOG-C03?

Link every section in the chapter with the contract or deed, authority, chronology, notices, performance, delivery, payment, loss and remedy evidence supporting it.

### What calculation should be retained for SOG-C03?

Retain the relevant price, tax, interest, partner-account, loss, mitigation, restitution or relief working with sources and assumptions, not only the final number.

### How does limitation affect SOG-C03?

Classify the precise cause of action associated with property, risk, title and transfer by non-owner, record accrual, refusal, notice, acknowledgment and exclusion dates, and apply the correct Limitation Act article.

### Can arbitration resolve every dispute arising under SOG-C03?

Arbitration may govern the forum, but it does not validate illegality, remove mandatory rules or make a non-arbitrable subject arbitrable. Check scope, seat and interim relief.

**Which tax and entity overlays should be checked for SOG-C03?**

Check Companies Act authority and related-party controls, partnership constitution, GST supply and invoice consequences, withholding, accounting and insolvency effects.

**What is the final professional sign-off for SOG-C03?**

Confirm the current statutory source, section conclusions, State variation, authority, calculation, limitation, remedy, forum and complete evidence trail.

**Why is section 30 important to SOG-C03?**

Section 30 (Seller or buyer in possession after sale) completes the chapter control and must be tested independently.

## Official sources and verification status

- Sale of Goods Act, 1930 - India Code
- Official Gazette and applicable State/UT Gazette, Registrar and court portals.
- Review date: 2026-07-18.