SOG-C04 - 14 PROVISIONS

Performance, Delivery, Acceptance and Rejection

Sale of Goods Act, 1930

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

Finin2min Summary - Chapter in 2 Minutes

Purpose

This unit converts performance, delivery, acceptance and rejection 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.31	Duties of seller and buyer	operative	commercial rights and obligations
s.32	Payment and delivery are concurrent conditions	operative	price, payment and financial consequence
s.33	Delivery	operative	delivery, inspection and acceptance

s.34	Effect of part delivery	operative	delivery, inspection and acceptance
s.35	Buyer to apply for delivery	operative	delivery, inspection and acceptance
s.36	Rules as to delivery	operative	delivery, inspection and acceptance
s.37	Delivery of wrong quantity	operative	delivery, inspection and acceptance
s.38	Instalment deliveries	operative	delivery, inspection and acceptance
s.39	Delivery to carrier or wharfinger	operative	delivery, inspection and acceptance
s.40	Risk where goods are delivered at distant place	operative	title, property and risk
s.41	Buyer’s right of examining the goods	operative	commercial rights and obligations
s.42	Acceptance	operative	formation and communication
s.43	Buyer not bound to return rejected goods	operative	delivery, inspection and acceptance
s.44	Liability of buyer for neglecting or refusing delivery of goods	operative	delivery, inspection and acceptance

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 31 - Duties of seller and buyer

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

Current statutory text

It is the duty of the seller to deliver the goods and of the buyer to accept and pay for them, in accordance with the terms of the contract of sale.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
Main rule	It is the duty of the seller to deliver the goods and of the buyer to accept and pay for them, in accordance with the terms of the contract of sale.	Test this main limb within the commercial rights and obligations framework. Operational focus: it is the duty of the seller to deliver the goods and of the buyer to accept and.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 31 is a commercial rights and obligations provision dealing with duties of seller and buyer. 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 32 - Payment and delivery are concurrent conditions

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, delivery of the goods and payment of the price are concurrent conditions, that is to say, the seller shall be ready and willing to give possession of the goods to the buyer in exchange for the price, and the buyer shall be ready and willing to pay the price in exchange for possession of the goods.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
Main rule	Unless otherwise agreed, delivery of the goods and payment of the price are concurrent conditions, that is to say, the seller shall be ready and willing to give possession of the goods to the buyer in exchange for the price, and the buyer shall be ready and willing to pay the price in exchange for possession of the goods.	Test this main limb within the price, payment and financial consequence framework. Operational focus: unless otherwise agreed, delivery of the goods and payment of the price are concurrent conditions, that is to.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 32 is a price, payment and financial consequence provision dealing with payment and delivery are concurrent conditions. 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 33 - Delivery

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

Current statutory text

Delivery of goods sold may be made by doing anything which the parties agree shall be treated as delivery or which has the effect of putting the goods in the possession of the buyer or of any person authorised to hold them on his behalf.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
Main rule	Delivery of goods sold may be made by doing anything which the parties agree shall be treated as delivery or which has the effect of putting the goods in the possession of the buyer or of any person authorised to hold them on his behalf.	Test this main limb within the delivery, inspection and acceptance framework. Operational focus: delivery of goods sold may be made by doing anything which the parties agree shall be treated as.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 33 is a delivery, inspection and acceptance provision dealing with delivery. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Use dispatch, carrier, goods receipt, inspection, rejection and storage records to establish delivery, acceptance and transit risk.

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 34 - Effect of part delivery

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

Current statutory text

A delivery of part of goods, in progress of the delivery of the whole, has the same effect, for the purpose of passing the property in such goods, as a delivery of the whole; but a delivery of part of the goods, with an intention of severing it from the whole, does not operate as a delivery of the remainder.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
Main rule	A delivery of part of goods, in progress of the delivery of the whole, has the same effect, for the purpose of passing the property in such goods, as a delivery of the whole; but a delivery of part of the goods, with an intention of severing it from the whole, does not operate as a delivery of the remainder.	Test this main limb within the delivery, inspection and acceptance framework. Operational focus: a delivery of part of goods, in progress of the delivery of the whole, has the same effect.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 34 is a delivery, inspection and acceptance provision dealing with effect of part delivery. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Use dispatch, carrier, goods receipt, inspection, rejection and storage records to establish delivery, acceptance and transit risk.

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 35 - Buyer to apply for delivery

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

Current statutory text

Apart from any express contract, the seller of goods is not bound to deliver them until the buyer applies for delivery.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
Main rule	Apart from any express contract, the seller of goods is not bound to deliver them until the buyer applies for delivery.	Test this main limb within the delivery, inspection and acceptance framework. Operational focus: apart from any express contract, the seller of goods is not bound to deliver them until the buyer.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 35 is a delivery, inspection and acceptance provision dealing with buyer to apply for delivery. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Use dispatch, carrier, goods receipt, inspection, rejection and storage records to establish delivery, acceptance and transit risk.

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 36 - Rules as to delivery

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) Whether it is for the buyer to take possession of the goods or for the seller to send them to the buyer is a question depending in each case on the contract, express or implied, between the parties. Apart from any such contract, goods sold are to be delivered at the place at which they are at the time of the sale, and goods agreed to be sold are to be delivered at the place at which they are at the time of the agreement to sell or, if not then in existence, at the place at which they are manufactured or produced.
(2) Where under the contract of sale the seller is bound to send the goods to the buyer, but no time for sending them is fixed, the seller is bound to send them within a reasonable time.
(3) Where the goods at the time of sale are in the possession of a third person, there is no delivery by seller to buyer unless and until such third person acknowledges to the buyer that he holds the goods on his behalf:
Provided that nothing in this section shall affect the operation of the issue or transfer of any document of title to goods.
(4) Demand or tender of delivery may be treated as ineffectual unless made at a reasonable hour. What is a reasonable hour is a question of fact.
(5) Unless otherwise agreed, the expenses of and incidental to putting the goods into a deliverable state shall be borne by the seller.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/ control
(1)	Whether it is for the buyer to take possession of the goods or for the seller to send them to the buyer is a question depending in each case on the contract, express or implied, between the parties. Apart from any such contract, goods sold are to be delivered at the place at which they are at the time of the sale, and goods agreed to be sold are to be delivered at the place at which they are at the time of the agreement to sell or, if not then in existence, at the place at which they are manufactured or produced.	Test this (1) within the delivery, inspection and acceptance framework. Operational focus: whether it is for the buyer to take possession of the goods or for the seller to send.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(2)	Where under the contract of sale the seller is bound to send the goods to the buyer, but no time for sending them is fixed, the	Test this (2) within the delivery, inspection and acceptance	Contract/deed, authority, chronology,

	seller is bound to send them within a reasonable time.	framework. Operational focus: where under the contract of sale the seller is bound to send the goods to the buyer, but.	notices, performance and payment records tied to this limb.
(3)	Where the goods at the time of sale are in the possession of a third person, there is no delivery by seller to buyer unless and until such third person acknowledges to the buyer that he holds the goods on his behalf:	Test this (3) within the delivery, inspection and acceptance framework. Operational focus: where the goods at the time of sale are in the possession of a third person, there is.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
Provided that	nothing in this section shall affect the operation of the issue or transfer of any document of title to goods.	Test this provided that within the delivery, inspection and acceptance framework. Operational focus: nothing in this section shall affect the operation of the issue or transfer of any document of title.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(4)	Demand or tender of delivery may be treated as ineffectual unless made at a reasonable hour. What is a reasonable hour is a question of fact.	Test this (4) within the delivery, inspection and acceptance framework. Operational focus: demand or tender of delivery may be treated as ineffectual unless made at a reasonable hour. what is.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(5)	Unless otherwise agreed, the expenses of and incidental to putting the goods into a	Test this (5) within the delivery, inspection and acceptance framework.	Contract/deed, authority, chronology, notices,

	deliverable state shall be borne by the seller.	Operational focus: unless otherwise agreed, the expenses of and incidental to putting the goods into a deliverable state shall be.	performance and payment records tied to this limb.

Finin2min implementation explanation

Section 36 is a delivery, inspection and acceptance provision dealing with rules as to delivery. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Use dispatch, carrier, goods receipt, inspection, rejection and storage records to establish delivery, acceptance and transit risk.

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 37 - Delivery of wrong quantity

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 the seller delivers to the buyer a quantity of goods less than he contracted to sell, the buyer may reject them, but if the buyer accepts the goods so delivered he shall pay for them at the contract rate.
(2) Where the seller delivers to the buyer a quantity of goods larger than he contracted to sell, the buyer may accept the goods included in the contract and reject the rest, or he may reject the whole. If the buyer accepts the whole of the goods so delivered, he shall pay for them at the contract rate.
(3) Where the seller delivers to the buyer the goods he contracted to sell mixed with goods of a different description not included in the contract, the buyer may accept the goods which are in accordance with the contract and reject the rest, or may reject the whole.
(4) The provisions of this section are subject to any usage of trade, special agreement or course of dealing between the parties.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
(1)	Where the seller delivers to the buyer a quantity of goods less than he contracted to sell, the buyer may reject them, but if the buyer accepts the goods so delivered he shall pay for them at the contract rate.	Test this (1) within the delivery, inspection and acceptance framework. Operational focus: where the seller delivers to the buyer a quantity of goods less than he contracted to sell, the.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(2)	Where the seller delivers to the buyer a quantity of goods larger than he contracted to sell, the buyer may accept the goods included in the contract and reject the rest, or he may reject the whole. If the buyer accepts the whole of the goods so delivered, he shall pay for them at the contract rate.	Test this (2) within the delivery, inspection and acceptance framework. Operational focus: where the seller delivers to the buyer a quantity of goods larger than he contracted to sell, the.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(3)	Where the seller delivers to the buyer the goods he contracted to sell mixed with goods of a different description	Test this (3) within the delivery, inspection and acceptance framework.	Contract/deed, authority, chronology, notices,

	not included in the contract, the buyer may accept the goods which are in accordance with the contract and reject the rest, or may reject the whole.	Operational focus: where the seller delivers to the buyer the goods he contracted to sell mixed with goods of a.	performance and payment records tied to this limb.
(4)	The provisions of this section are subject to any usage of trade, special agreement or course of dealing between the parties.	Test this (4) within the delivery, inspection and acceptance framework. Operational focus: the provisions of this section are subject to any usage of trade, special agreement or course of dealing.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 37 is a delivery, inspection and acceptance provision dealing with delivery of wrong quantity. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Use dispatch, carrier, goods receipt, inspection, rejection and storage records to establish delivery, acceptance and transit risk.

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 38 - Instalment deliveries

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) Unless otherwise agreed, the buyer of goods is not bound to accept delivery thereof by instalments.
(2) Where there is a contract for the sale of goods to be delivered by stated instalments which are to be separately paid for, and the seller makes no delivery or defective delivery in respect of one or more instalments, or the buyer neglects or refuses to take delivery of or pay for one or more instalments, it is a question in each case depending on the terms of the contract and the circumstances of the case whether the breach is a repudiation of the whole contract or a severable breach giving rise to a claim for compensation.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/ control
(1)	Unless otherwise agreed, the buyer of goods is not bound to accept delivery thereof by instalments.	Test this (1) within the delivery, inspection and acceptance framework. Operational focus: unless otherwise agreed, the buyer of goods is not bound to accept delivery thereof by instalments.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(2)	Where there is a contract for the sale of goods to be delivered by stated instalments which are to be separately paid for, and the seller makes no delivery or defective delivery in respect of one or more instalments, or the buyer neglects or refuses to take delivery of or pay for one or more instalments, it is a question in each case depending on the terms of the contract and the circumstances of the case whether the breach is a repudiation of the whole contract or a	Test this (2) within the delivery, inspection and acceptance framework. Operational focus: where there is a contract for the sale of goods to be delivered by stated instalments which are.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

	severable breach giving rise to a claim for compensation.		

Finin2min implementation explanation

> Section 38 is a delivery, inspection and acceptance provision dealing with instalment deliveries. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.
>
> **Implementation control:** Use dispatch, carrier, goods receipt, inspection, rejection and storage records to establish delivery, acceptance and transit risk.

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 39 - Delivery to carrier or wharfinger

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, in pursuance of a contract of sale, the seller is authorised or required to send the goods to the buyer, delivery of the goods to a carrier, whether named by the buyer or not, for transmission to the buyer, or delivery of the goods to a wharfinger for safe custody, is prima facie deemed to be a delivery of the goods to the buyer.
(2) Unless otherwise authorised by the buyer, the seller shall make such contract with the carrier or wharfinger on behalf of the buyer as may be reasonable having regard to the nature of the goods and the other circumstances of the case. If the seller omits so to do, and the goods are lost or damaged in transit or in the custody of the wharfinger, the buyer may decline to treat the delivery to the carrier or wharfinger as a delivery to himself, or may hold the seller responsible in damages.
(3) Unless otherwise agreed, where goods are sent by the seller to the buyer by a route involving sea transit, in circumstances in which it is usual to insure, the seller shall give such notice to the buyer as may enable him to insure them during their sea transit; and if the seller fails so to do, the goods shall be deemed to be at his risk during such sea transit.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/ control
(1)	Where, in pursuance of a contract of sale, the seller is authorised or required to send the goods to the buyer, delivery of the goods to a carrier, whether named by the buyer or not, for transmission to the buyer, or delivery of the goods to a wharfinger for safe custody, is prima facie deemed to be a delivery of the goods to the buyer.	Test this (1) within the delivery, inspection and acceptance framework. Operational focus: where, in pursuance of a contract of sale, the seller is authorised or required to send the goods.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(2)	Unless otherwise authorised by the buyer, the seller shall make such contract with the carrier or wharfinger on behalf of the buyer as may be reasonable having regard to the nature of the goods and the other circumstances of the case. If the seller omits so to do, and the goods are lost or damaged in transit or in the custody of the wharfinger, the buyer may decline to treat the delivery to the carrier or wharfinger as a	Test this (2) within the delivery, inspection and acceptance framework. Operational focus: unless otherwise authorised by the buyer, the seller shall make such contract with the carrier or wharfinger on.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

	delivery to himself, or may hold the seller responsible in damages.		
(3)	Unless otherwise agreed, where goods are sent by the seller to the buyer by a route involving sea transit, in circumstances in which it is usual to insure, the seller shall give such notice to the buyer as may enable him to insure them during their sea transit; and if the seller fails so to do, the goods shall be deemed to be at his risk during such sea transit.	Test this (3) within the delivery, inspection and acceptance framework. Operational focus: unless otherwise agreed, where goods are sent by the seller to the buyer by a route involving sea.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

> Section 39 is a delivery, inspection and acceptance provision dealing with delivery to carrier or wharfinger. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.
>
> **Implementation control:** Use dispatch, carrier, goods receipt, inspection, rejection and storage records to establish delivery, acceptance and transit risk.

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 40 - Risk where goods are delivered at distant place

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 the seller of goods agrees to deliver them at his own risk at a place other than that where they are when sold, the buyer shall nevertheless, unless otherwise agreed, take any risk of deterioration in the goods necessarily incident to the course of transit.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
Main rule	Where the seller of goods agrees to deliver them at his own risk at a place other than that where they are when sold, the buyer shall nevertheless, unless otherwise agreed, take any risk of deterioration in the goods necessarily incident to the course of transit.	Test this main limb within the title, property and risk framework. Operational focus: where the seller of goods agrees to deliver them at his own risk at a place other than.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 40 is a title, property and risk provision dealing with risk where goods are delivered at distant place. 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 41 - Buyer’s right of examining the goods

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 goods are delivered to the buyer which he has not previously examined, he is not deemed to have accepted them unless and until he has had a reasonable opportunity of examining them for the purpose of ascertaining whether they are in conformity with the contract.
(2) Unless otherwise agreed, when the seller tenders delivery of goods to the buyer, he is bound, on request, to afford the buyer a reasonable opportunity of examining the goods for the purpose of ascertaining whether they are in conformity with the contract.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
(1)	Where goods are delivered to the buyer which he has not previously examined, he is not deemed to have accepted them unless and until he has had a reasonable opportunity of examining them for the purpose of ascertaining whether they are in conformity with the contract.	Test this (1) within the commercial rights and obligations framework. Operational focus: where goods are delivered to the buyer which he has not previously examined, he is not deemed to.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(2)	Unless otherwise agreed, when the seller tenders delivery of goods to the buyer, he is bound, on request, to afford the buyer a reasonable opportunity of examining the goods for the purpose of ascertaining whether they are in conformity with the contract.	Test this (2) within the commercial rights and obligations framework. Operational focus: unless otherwise agreed, when the seller tenders delivery of goods to the buyer, he is bound, on request.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 41 is a commercial rights and obligations provision dealing with buyer’s right of examining the goods. 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 42 - Acceptance

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

Current statutory text

The buyer is deemed to have accepted the goods when he intimates to the seller that he has accepted them, or when the goods have been delivered to him and he does any act in relation to them which is inconsistent with the ownership of the seller, or when, after the lapse of a reasonable time, he retains the goods without intimating to the seller that he has rejected them.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
Main rule	The buyer is deemed to have accepted the goods when he intimates to the seller that he has accepted them, or when the goods have been delivered to him and he does any act in relation to them which is inconsistent with the ownership of the seller, or when, after the lapse of a reasonable time, he retains the goods without intimating to the seller that he has rejected them.	Test this main limb within the formation and communication framework. Operational focus: the buyer is deemed to have accepted the goods when he intimates to the seller that he has.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 42 is a formation and communication provision dealing with acceptance. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Build a dated offer-acceptance matrix, identify authorised senders and recipients, preserve dispatch and receipt evidence, and isolate counter-offers, conditions and revocations.

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 43 - Buyer not bound to return rejected goods

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, where goods are delivered to the buyer and he refuses to accept them, having the right so to do, he is not bound to return them to the seller, but it is sufficient if he intimates to the seller that he refuses to accept them.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
Main rule	Unless otherwise agreed, where goods are delivered to the buyer and he refuses to accept them, having the right so to do, he is not bound to return them to the seller, but it is sufficient if he intimates to the seller that he refuses to accept them.	Test this main limb within the delivery, inspection and acceptance framework. Operational focus: unless otherwise agreed, where goods are delivered to the buyer and he refuses to accept them, having the.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 43 is a delivery, inspection and acceptance provision dealing with buyer not bound to return rejected goods. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Use dispatch, carrier, goods receipt, inspection, rejection and storage records to establish delivery, acceptance and transit risk.

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 44 - Liability of buyer for neglecting or refusing delivery of goods

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 is ready and willing to deliver the goods and requests the buyer to take delivery, and the buyer does not within a reasonable time after such request take delivery of the goods, he is liable to the seller for any loss occasioned by his neglect or refusal to take delivery and also for a reasonable charge for the care and custody of the goods:
Provided that nothing in this section shall affect the rights of the seller where the neglect or refusal of the buyer to take delivery amounts to a repudiation of the contract.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
Main rule	When the seller is ready and willing to deliver the goods and requests the buyer to take delivery, and the buyer does not within a reasonable time after such request take delivery of the goods, he is liable to the seller for any loss occasioned by his neglect or refusal to take delivery and also for a reasonable charge for the care and custody of the goods:	Test this main limb within the delivery, inspection and acceptance framework. Operational focus: when the seller is ready and willing to deliver the goods and requests the buyer to take delivery.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
Provided that	nothing in this section shall affect the rights of the seller where the neglect or refusal of the buyer to take delivery amounts to a repudiation of the contract.	Test this provided that within the delivery, inspection and acceptance framework. Operational focus: nothing in this section shall affect the rights of the seller where the neglect or refusal of the.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 44 is a delivery, inspection and acceptance provision dealing with liability of buyer for neglecting or refusing delivery of goods. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Use dispatch, carrier, goods receipt, inspection, rejection and storage records to establish delivery, acceptance and transit risk.

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 performance, delivery, acceptance and rejection. 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.

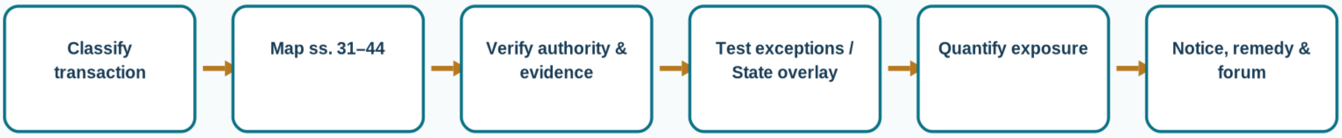
Central and State/UT variation alerts

> 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-C04 · Finin2min decision path



Delivery, instalments, carrier risk, examination, acceptance, rejection and custody. Verify the current official source before professional reliance.

Finin2min Q&A

What decision does SOG-C04 help a business make?

It determines how performance, delivery, acceptance and rejection should be classified, documented, performed and enforced under sections 31-44 of the Sale of Goods Act, 1930.

Which provision should be read first in SOG-C04?

Begin with section 31 (Duties of seller and buyer) and then read the connected definitions, exceptions and remedy provisions in sequence.

What is the principal implementation risk in SOG-C04?

Applying a commercial label without proving the statutory conditions for performance, delivery, acceptance and rejection, or acting without authority, notice, performance and payment evidence.

Which execution checks are specific to SOG-C04?

Confirm the correct entities, signatory authority, consent, complete annexures, stamp and registration treatment, digital audit trail and approvals relevant to performance, delivery, acceptance and rejection.

How should evidence be indexed for SOG-C04?

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-C04?

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-C04?

Classify the precise cause of action associated with performance, delivery, acceptance and rejection, record accrual, refusal, notice, acknowledgment and exclusion dates, and apply the correct Limitation Act article.

Can arbitration resolve every dispute arising under SOG-C04?

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-C04?

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-C04?

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

Why is section 44 important to SOG-C04?

Section 44 (Liability of buyer for neglecting or refusing delivery of goods) 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.