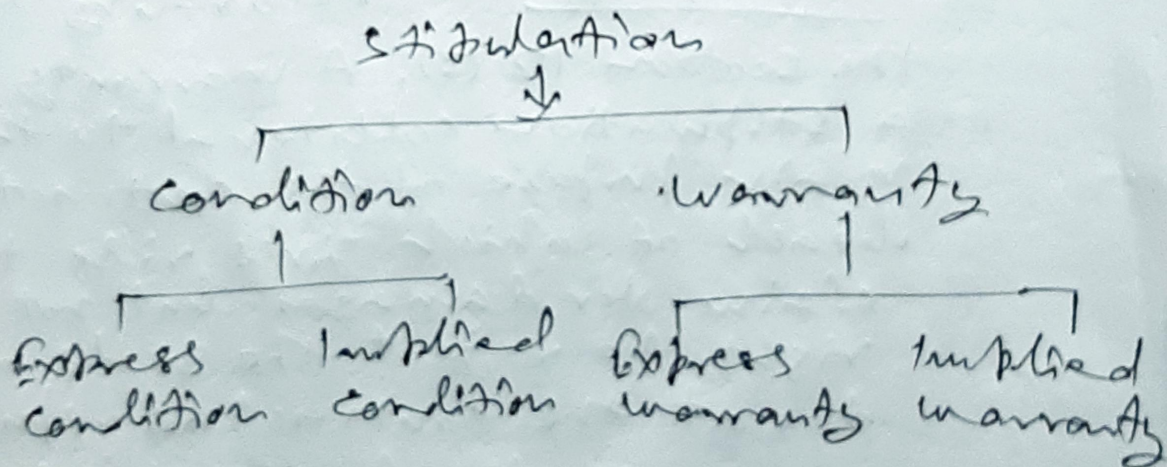


B. Com. Part II

Sub. - Business Law

Conditions and Warranties

According to Section 12(1) of Sale of Contract, a stipulation in a contract of sale may be a condition or warranty. Stipulation may be shown through the following chart -



Condition - According to Section 12(2), "A condition is a stipulation essential to the main purpose of the contract, the breach of which gives rise to a right to treat the contract as repudiated."

On the basis of the above definition, following are the features of conditions -

1. Condition is a stipulation,
2. The main purpose of this stipulation is essential,
3. In the case of breach of condition, aggrieved party can ~~reject~~ repudiate the contract.

Warranty

— According to the section 12 (3), A warranty is a stipulation collateral to the main purpose of the contract, the breach of which gives rise to a claim for damages but not a right to reject the goods and treat the contract as repudiated.

on the basis of above definition, following are the features of warranty —

1. Warranty is a stipulation.
2. This contract is not essential for main purpose but this is collateral,
3. A breach of warranty does not give the aggrieved party, a right to reject the goods and repudiate the contract.