

THE
NEGOTIABLE
INSTRUMENTS
ACT, 1881



AN
HELICOPTER
VIEW !

SECTION 13

Meaning of NI

P/N, BoE, CHQ



payable

Either to
BEARER

OR
To ORDER



LET'S DO THIS

CHIEF FEATURES-

In Writing

Signed

Freely Transferable

Properly Stamped

Unconditional -
PROMISE/ORDER

CERTAIN-

Person, Time, Sum

Free from Defects

DELIVERY is important!

SECTION 4
PROMISSORY
NOTE

SECTION 5
BILL OF
EXCHANGE

SECTION 6
CHEQUE



FEATURES
of all 3

Promissory
Notes do
not include
Bank notes
OR Currency
Notes

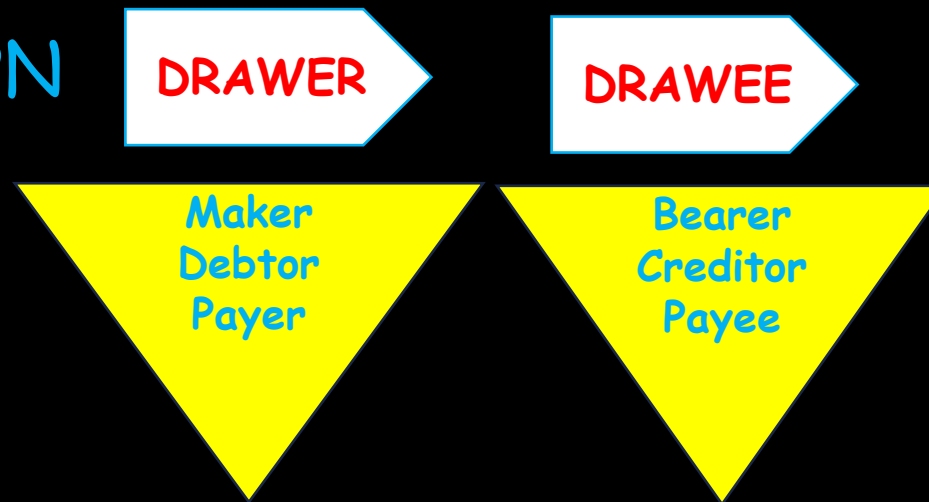
Section 31 of the
RBI Act

Cheque
includes
truncated
cheque AND
E-cheque

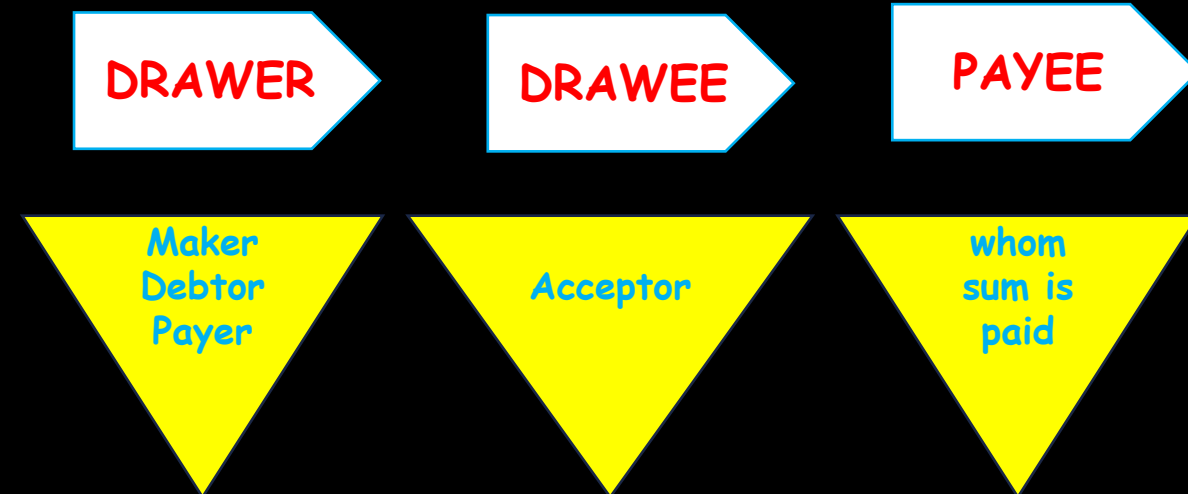
BoE
CANNOT be
made
payable to
bearer on
demand

Section 31 of the
RBI Act

Parties to a PN



Parties to a BoE / Chq



HI!

Diff.
between
PN & BoE

One party can play the role of two !!

Every CHEQUE
is a BoE

but

Every BOE is
not a CHEQUE!!



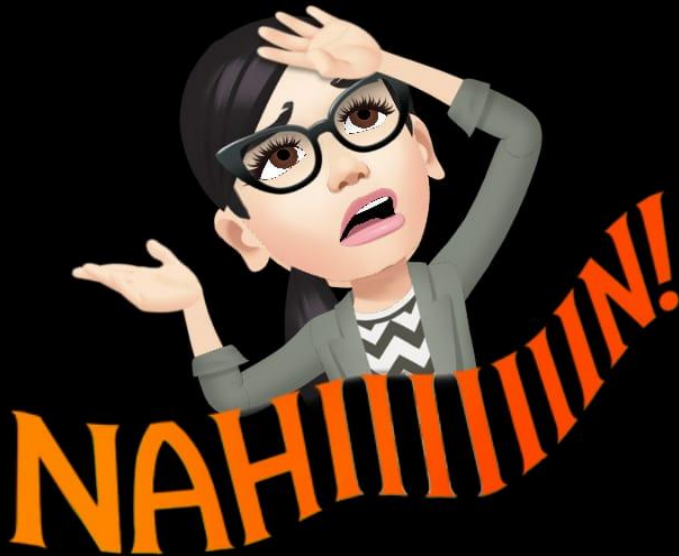
CHEQUE is
always drawn
on a specified
BANKER !!

CHEQUE does not
require

STAMPING or
ACCEPTANCE !!

CHEQUE is never
payable than on
demand !!

TYPES OF NEGOTIABLE INSTRUMENTS



INLAND
Section 11

FOREIGN
Section 12

ORDER
Section 13

BEARER
Section 13

INCHOATE

AMBIGUOUS
Section 17

Liability of Maker

Liability of Drawer

Rights
of
HOLDER

vs.

HOLDER
IN DUE
COURSE

NEGOTIATION (transfer) of NIs

Section 14

Payable
to
BEARER

Mere
DELIVERY

Payable
to
ORDER

INDORSEMENT
&
DELIVERY



IMPORTANCE
of
DELIVERY
Section 46

NEGOTIATION
by
DELIVERY
Section 47

NEGOTIATION
by
INDORSEMENT
Section 48

DELIVERY
when
EFFECTIVE

EXCEPTION

DISHONOUR OF
CHEQUES for
INSUFFICIENCY of
FUNDS in the ACCOUNT

Section 138

 EXCEPTION

PRESUMPTION in favor
of HOLDER

Section 139

DEFENCE NOT
ALLOWED in any
prosecution under
SECTION 138

Section 140



PRESENTMENT of INSTRUMENTS

**PRESENTMENT
for ACCEPTANCE
SECTION 61**

**PRESENTMENT
Of PN for SIGHT
SECTION 62**

**DRAWEE'S TIME for
DELIBERATION
SECTION 63**

**PRESENTMENT
for PAYMENT

SECTION 64**

**HOURS for
PRESENTATION
SECTION 65**

**PRESENTMENT
of INSTRUMENT payable
AFTER SIGHT
SECTION 66**

**PRESENTMENT
for PAYMENT of PN payable
by INSTALLMENTS
SECTION 67**

**PRESENTMENT
for PAYMENT of
INSTRUMENT payable @
SPECIFIED PLACE & NOT
ELSEWHERE

SECTION 68**

**INSTRUMENT payable @
SPECIFIED PLACE
SECTION 69**

**PRESENTMENT when no
EXCLUSIVE PLACE specified
SECTION 70**

**PRESENTMENT when maker
has no PLACE of BUSINESS
SECTION 71**



PRESENTMENT of INSTRUMENTS

cntd....

**PRESENTMENT
of CHEQUE to CHARGE
DRAWER
SECTION 72**

**PRESENTMENT
of CHEQUE to CHARGE
any OTHER PERSON
SECTION 73**

**PRESENTMENT
of INSTRUMENT payable
ON DEMAND
SECTION 74**

**EXCUSE for DELAY in
PRESENTMENT for
ACCEPTANCE or PAYMENT
SECTION 75A**

**PRESENTMENT
by or to AGENT,
REPRESENTATIVE of DECEASED
or ASSIGNEE of INSOLVENT

SECTION 75**

**WHEN PRESENTMENT is
UNNECESSARY
SECTION 76**

**LIABILITY of BANKER for
NEGLIGENT DEALING
SECTION 77**



also remember. . . .



RULES FOR
COMPENSATION
SECTION 117

