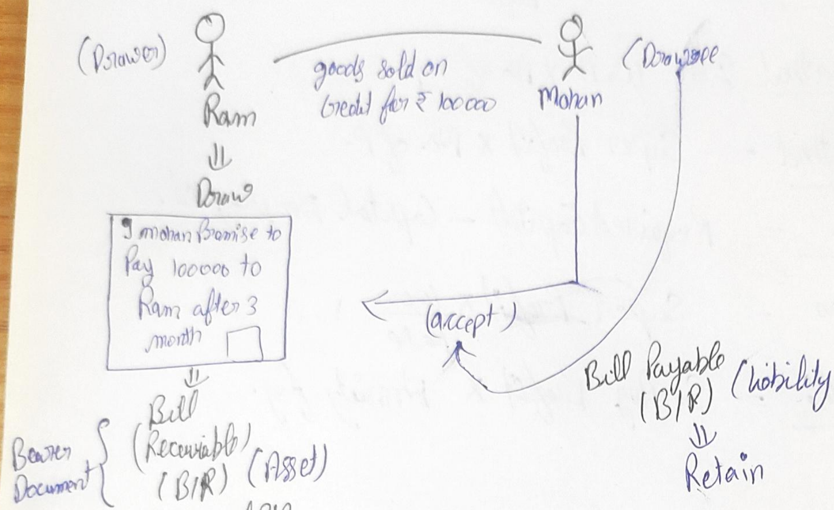
Bills of Exchange



option of B/R
- Retain
- Sent for Collection
- Bill discounted
- Endorse to Creditor

Cases
- Bill honoured on due date
- Bill Dishonoured on Due date
- Bill Retire under Rebate
- Renewal of Bill

Grace Period of Bills
⇓
As Per ~~A~~ NI Act, 1881
3 days Complete days.

Date of Payment = Bill Period + 3 days

DOP
- Public Holiday — 1 Day before
- Sudden Holiday — 1 day after.

Chart - 1
(Bill Honouner on Due Date)

Ram
Drawer.

(i) For sale
Mohan Dr.
To sales

(ii) For Bill draw
B/R Dr.
To Mohan

(iii) Option of B/R.

Retain
No entry

Collection
BSFC
To B/R

Discount
Bank
D. charge
To B/R

Endorsement
Creditor
To B/R.

(iv) Bill honored on due date

Retain
Bank
To B/R

Collection
Bank
To BSFC

Discount
No Entry

Endorsement
No Entry

MoHon
Drawee

(i) For Purchase
Purchase Dr.
To Ram

(ii) Bill Accept
Ram Dr.
To B/P

(iii) option of B/P
Retain
No Entry.

(iv) Bill honoured.
B/P Dr
To Bank.

Chart - 2
Bill Dishonoured on Due date
⇓
(~~within~~ Written)
⇓
Court case } Court fees } Noting charge

Pay By Drawer.

Bearer by drawee

Chart-2
Bill Dishonour

Ram (Drawer)

(i) For sale

Mohan Dr.
To sale

(ii) For Bill draw

B/R Dr.
To Mohan

(iii) For option of B/R.

Retain	Collection	Discount	Endorse
No Entry	BSFC To B/R	Bank D. charge To B/R	Creditor To B/R

(iv) Bill dishonour on due date

Retain	Collection	Discounting	Endorsement
Mohan To B/R To Bank	Mohan To BSFC To Bank	Mohan To Bank To Bank	Mohan To Creditor (Including NC)

Mohan (Drawee)

(i) For Purchase

Purchase
To Ram

(ii) For Bill Accept.

Ram
To B/P

(iii) option of B/P
(Retain No entry

(iv) Bill dishonour

B/P
N. charge
To Ram.

~~Chart-3~~

~~Bill Renewal~~

Chart - 3
Bill Renewal

Ram (Drawer)

(i) For sale
- Mohan
  - To sale

(ii) For Bill drawn
- B/R
  - To Mohan

(iii) option of B/R.

- Retain: No Entry
- Collection: BSFC
  - To B/R.
- Discount: Bank
  - D. charge
  - To B/R.
- Endorse: Creditor
  - To B/R.

(iv) Dishonours of old Bill

- Retain: Mohan
  - To B/R
- Collection: Mohan
  - To BSFC
- Discount: Mohan
  - To Bank
- Endorsment: Mohan
  - To Creditor

(v) For int. Due
- Mohan
  - To Int.

(vi) For new Bill draw.
- B/R
- Bank (oneif any Part Payment)
  - To Mohan

(vii) option of New B/R.
- Same as (iii)

(viii) On Due date of Renew Bill

- Honored.
  - Same as
- Dishonord.
  - Same
  - ||
  - Insolvent.
  - Bank
  - Bad. Deb
    - To Mohan

Mohan (Drawee)

(i) For Purchase
- Purchase
  - To Mohan.

(ii) Bill accept.
- Mohan
  - To B/P.

(iii) option of B/P.
- ||
- Retain
- No entry.

(iv) Dishonared
- B/P
  - To Ram.

(v) For int due
- Int.
  - To Ram

(vi) For new Bill Accept
- Ram
  - To B/P (New)
  - To Bank.

(vii) option of B/P

(viii) on due date

- Honar.
  - B/P
    - To Bank.
- dishonour
  - B/P
    - To Ram
  - ||
  - Insolvent
  - Ram
    - To Bank
    - To Deficiency

Chart-4

Bill retire under Rebate

Ram

(i) For Sale

Mohan
To Sale

(ii) For Bill Draw

B/R
To Mohan

(iii) option of B/R.

Retain
No Entry

Collection
BSFC
To B/R

Discount
Bank.
D. charge
To B/R

Endorse
Creditor
To B/R.

(iv) Before due date

Bank Dr.
Rebate allowed Dr.
To B/R.

Mohan.

(i) For Purchase

Purchase
To Ram

(ii) For Bill Accept

Ram
To B/P

(iii) option of B/P.

(iv) Before due date

B/P
To Bank
To Endorse