

Inchoate Instrument

- Instrument - Incomplete in certain aspect
- Drawer / maker / Endorser - sign and deliver
- Instrument - Blank / Incomplete



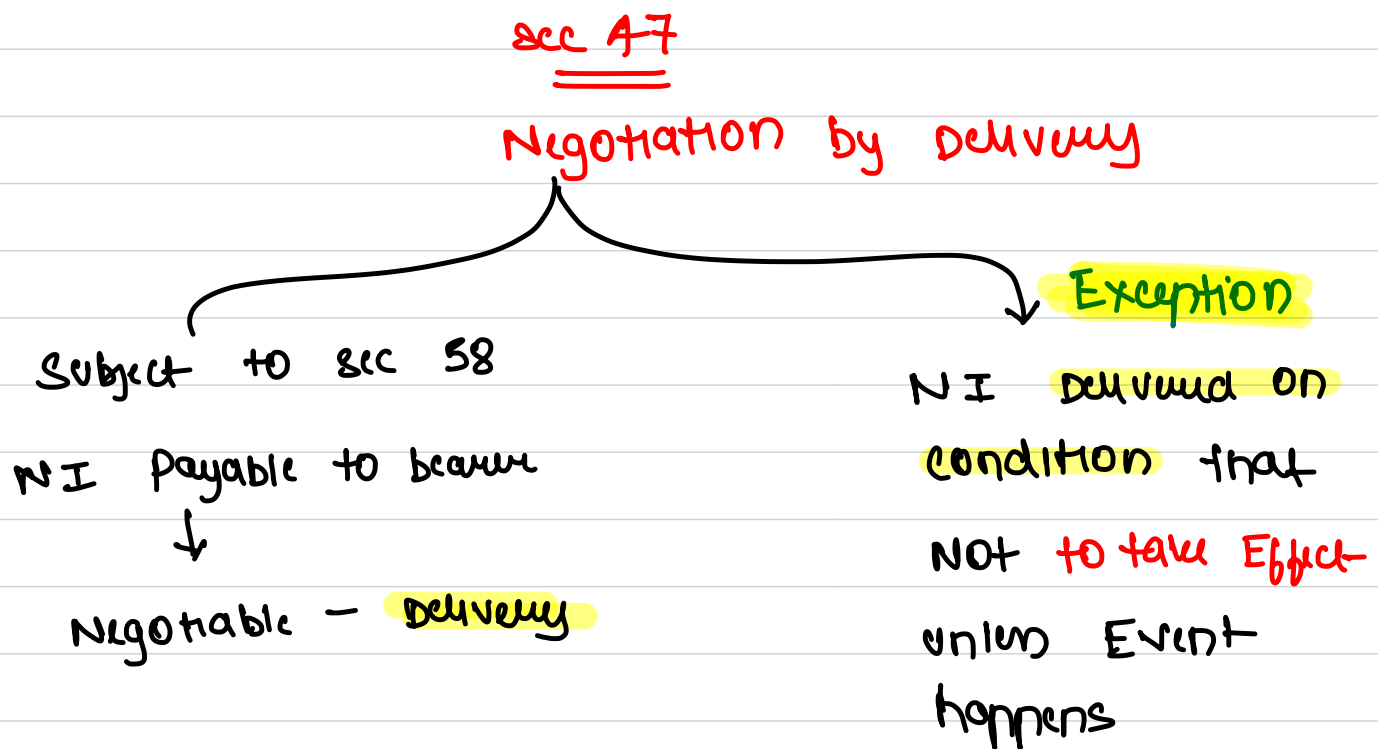
→ cannot recover more than amt Intended

↓
can recover any amt provided it is adequately stamped.

(within Instrument limit)

Ambiguous Instrument

- ①. Instrument may be concluded either as PN | BOE
- ②. After Exercising option holder cannot change to any other kind



(HDC can still claim amt)

Importance of Delivery Negotiation (sec 46)

Instrument
Order Bill



Property trf



Delivery

Actual

(Physical change)

CONSTITUTIVE

(Possession same)

OWNER change)

Instrument



Negotiate



condition / specific purpose

condition - Done



Property Pass

condition (X)



Property (X)

HDC trf

Prop trf (✓)

- If Indorser (maker) dies after making Instrument but before Endorsement then LR can NOT trf by mere Delivery.

sec 139 : Presumption in Favour of Holder

- ① Cheque Issued is presumed to be of Nature to Discharge Debt / Liability
- ② It is Rebuttable Presumption as Issuer can Prove to contrary
- ③ Effect - Burden of Proof - Issuer / Maker

sec 140 : Defence not allowed in any Prosecution

→ Drawer had NO Reason to believe when cheq was Issued that cheq may be dishonoured on presentment due to Reasons in section 138.