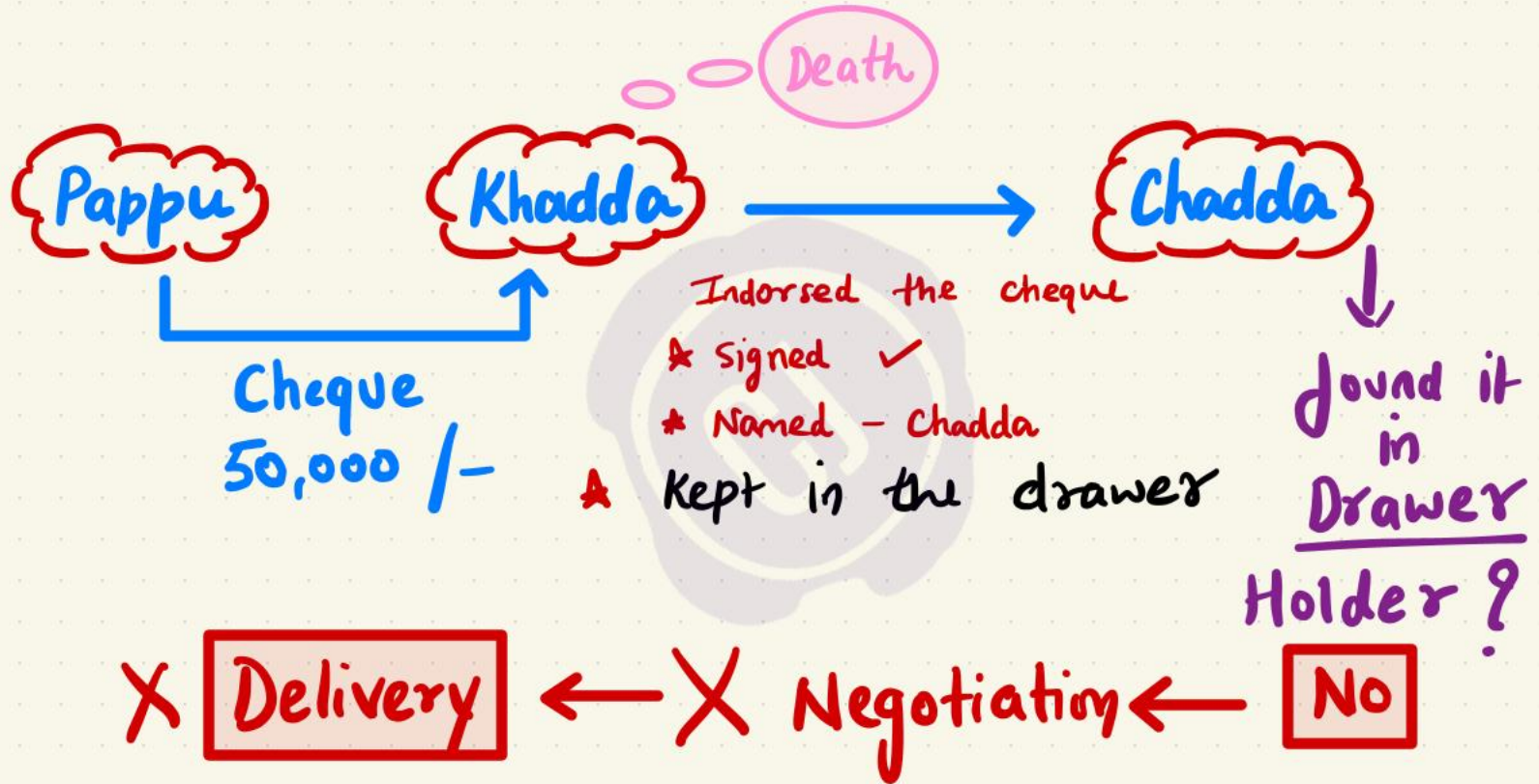




**THE NEGOTIABLE
INSTRUMENTS ACT,
1881**

**HAND WRITTEN NOTES BY CJ
CA CHAITANYA JAIN**

AT THE TIME OF CREATION = IMP OF DELIVERY



AT THE TIME OF NEGOTIATION

Bade Bachhan

Cheque — N.I
Pay to → Jaya

३१

Junior Bachhan

endorse
करने के
पहले ही

death...

Hi endorse कर देता हूँ
NOT POSSIBLE

Legal Representative

LR by
delivery
नहीं
कर सकता

Legal Representative \neq Agent of deceased.

Case :- [Executed] but Not delivered.
[Endorsed]

Why?

NEGOTIATION → TYPES (SECTION - 14) (Transfer) of OWNERSHIP

To make the other person
HOLDER

DELIVERY

↓
Payable to
BEARER (47)

↓
लिखा हौ - Bearer
या

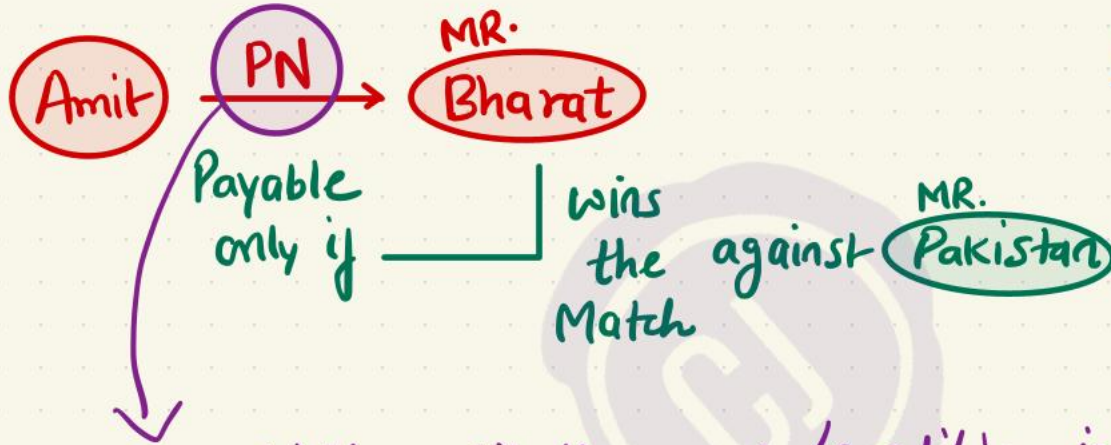
BLANK } ONLY या LAST
Endorsement

INDORSEMENT + DELIVERY

↓
(48) Payable to
ORDER

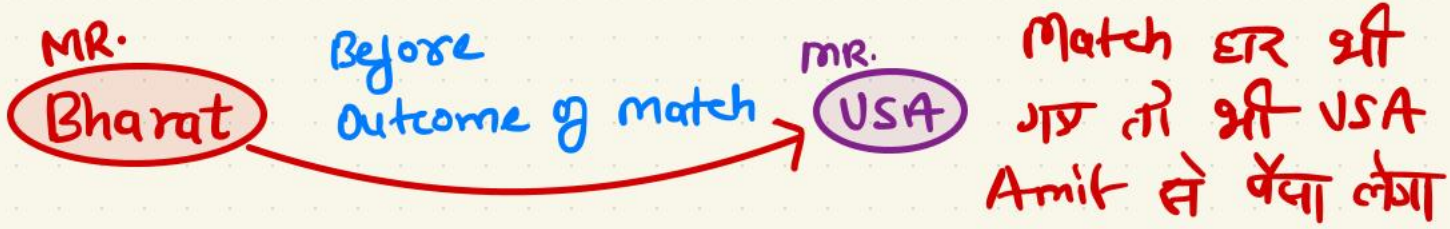
- ▷ लिखा हौ - ORDER
- ▷ SPECIFIED Person
- ▷ Transfer का Prohibition ना हौ

WHEN A NI = delivered on a CONDITION
OR
CERTAIN EVENT

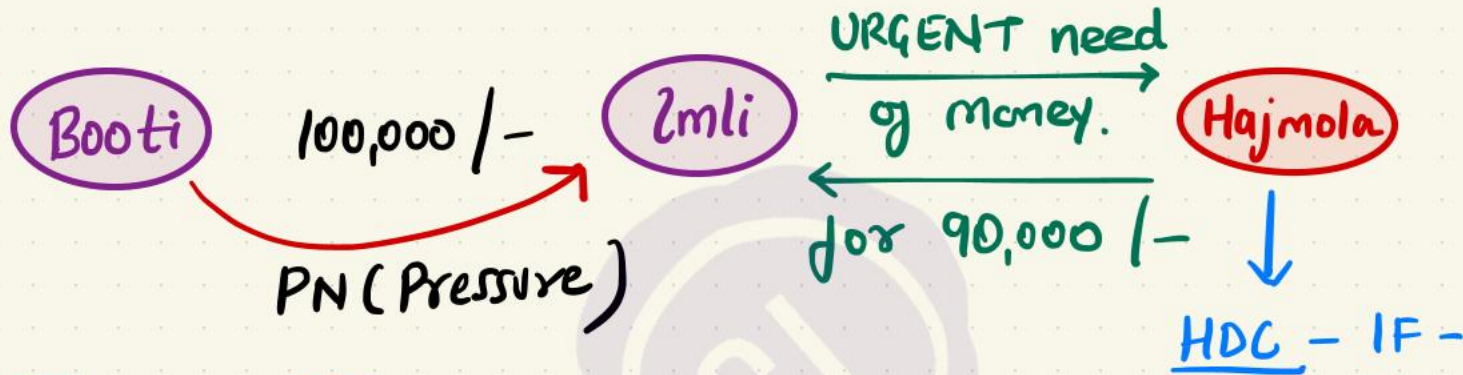


Not negotiable until the event/condition is fulfilled

Exception :- Holder in due course = Value = without Knowledge



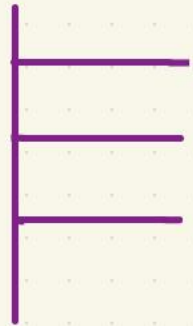
HOLDER & HOLDER IN DUE COURSE



Other Scenarios :-

- Forged the sign
- Chori (thief)

- ① Before Due date
- ② Good faith
- ③ Without Knowledge of defect / issue



Liability on drawing inchoate instrument

INCHOATE INSTRUMENT

Incomplete :- Whole or Partial

- Date } ?
- Amount } ?
- STAMP ≡

Bahubali — — → Bhalla
PROMISE किया

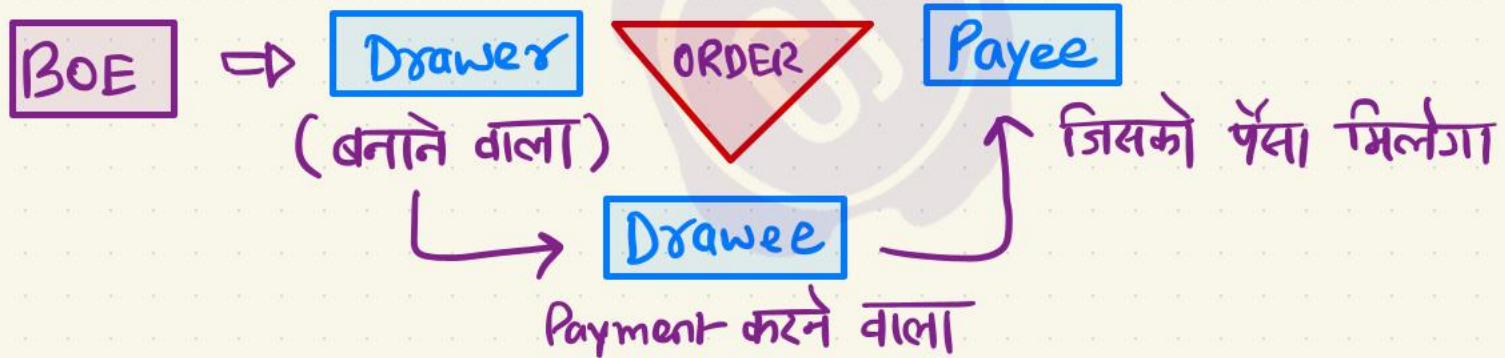
STAMP □	₹ _____ Aqf.	→ No date
------------	-----------------	-----------

Intention → 50,00,00,000 /-
if in excess - LEGAL ACTION
- SUE.

Bhalla to Rajmata

- ⇓
- Good faith
 - No knowledge
 - Value

UNDERSTAND BASIC OF Promissory Note & Bill of Exchange



RULES FOR INLAND Instrument

INLAND Instrument

INLAND नहीं, तो AUTOMATIC FOREIGN INSTRUMENT

STEP 1 :-> COMPULSORY CONDITION -> **CC**

|| India में Made / Drawn होना चाहिए ||

STEP 2 :-> SECONDARY CONDITION -> (कोई भी एक) **SC**

Payable in India
OR
Drawn on ROI

{ या तो हिसाब अपने देश में हो }
{ या अपना बन्दा हिसाब करे }

IF **CC** में ही बंदे then No need to check **SC**