



# **SNS COLLEGE OF ENGINEERING**

**Kurumbapalayam (Po), Coimbatore – 641 107**

**An Autonomous Institution**

**Accredited by NBA – AICTE and Accredited by NAAC – UGC with ‘A’ Grade**

**Approved by AICTE, New Delhi & Affiliated to Anna University, Chennai**



## **DEPARTMENT OF MANAGEMENT STUDIES**

**COURSE NAME : 19BA104- LEGAL ASPECTS OF BUSINESS**

**I YEAR / I SEMESTER**

**Unit -3 : NEGOTIABLE INSTRUMENTS ACT 1881**

**Topics : Types of Cheques with examples**



## Classification of Cheques



### Bearer Cheque

The bearer cheque is a type of cheque in which the bearer is authorised to get the cheque encashed. This means the person who carries the cheque to the bank has the authority to ask the bank for encashment.

This type of cheque can be used for cash withdrawal. This kind of cheque is endorsable. No kind of identification is required for the bearer of the cheque

### Example

A cheque has been signed by Arjun (drawer) and the payee for the cheque is Varun. Varun can either go to the bank himself or can send a third person to get encashment for the cheque. No identification shall be required for the bearer's name.

PAY [REDACTED]		या धारक को <b>OR BEARER</b>	
रुपये RUPEES <i>Six thousand four hundred &amp; ninety three only</i>		अदा करें <b>₹.Rs. 6493/-</b>	
ब. व. खा. सं. S. B. A/c. No.	ब. प. LF.	ब. ह. INTLS.	
<b>यूको बैंक UCO Bank</b> 02380100011938		For KRISHNA APARTMENTS OWNERS WELFARE ASSOCIATION	
वेल्लायूर, तमिलनाडु - 600 059. Vellaiyur, TAMILNADU - 600 059.		[REDACTED] [REDACTED]	
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## Order Cheque

This type of cheque cannot be endorsed, i.e., only the payee, whose name has been mentioned in the cheque is liable to get cash for that amount. The drawer needs to strike the “OR BEARER” mark as mentioned on the cheque so that the cheque can only be encashed to the payee.

**For Example:** If a cheque has been signed with the name of Varun, then only the payee can visit the bank to get an encashment for the same for a order cheque.

*ATC*  
 PAY [REDACTED]

या धारक को ~~OR-BEARER~~

रुपये RUPEES *Size Normal four hundred & ninety three only* अदा करें ₹.Rs. 6493/-

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[REDACTED] [REDACTED]

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## Open Cheque:

This is an uncrossed cheque that can be encashed at any bank and the payment can be made to the person bearing the cheque. It can also be transferred from the original payee to a different payee. The issuer is required to put his signature on both the front and back of the cheque.

**AXIS BANK LTD**  
KRISHINA NAGAR, DELHI (DL), NEW DELHI, 110051  
IFS CODE - UTIB0000150

DATE          
दिनांक D D M M Y Y Y Y

PAY \_\_\_\_\_ OR BEARER / या धारक को

RUPEES  
रुपये

₹

अदा करें

A/C NO. 16601010005  
PBSPA 166180

Payable at par at all branches of Axis Bank Ltd in India.

Please sign above

⑈021825⑈ 110211021⑈ 166180⑈ 31



## **Crossed Cheque**

In this type of cheque, no cash withdrawal can be done. The amount can only be transferred from the drawer's account to the payee's account. Any third party can visit the bank to submit the cheque.

In case of a crossed cheque, the drawer must draw two lines at the left top corner of the cheque.





## Account Payee Cheque

This is the same as the account payee cheque but no third party involvement is required. The amount shall be transferred directly to the payee's account number.

To ensure that it is an account payee cheque, two lines are made on the left top corner of the cheque, labelling it for "A/C PAYEE".

**A/C PAYEE**

Date : 13/05/13

PAY [Redacted]

या धारक को OR BEARER

रुपये RUPEES Six thousand four hundred & ninety three only

₹.Rs. 6493/-

अदा करें

ब. सं. खा. सं. S. B. A/c. No. [Redacted]

ब. प. LF. [Redacted]

ब. ड. INTLS. [Redacted]

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[Redacted] TREASURER [Redacted] SECRETARY



## Stale Cheque

In India, any cheque is valid only until 3 months from the date of issue. So if a payee moves to the bank to get withdrawal for a cheque which was signed 3 months ago, the cheque shall be declared a stale cheque.

For example: If a cheque is dated January 1, 2021, and the payee visits the bank for withdrawal on May 1, 2021, his/her request shall be denied and the cheque is declared stale.

## Stale Cheque

**HDFC BANK**

Branch: XXXXXXXXXXXXXXXXXXXXXXXXXX  
RUB - HDFC PNC - HDFCXXXXXX

Date: 10 03 2017  
**Valid for 3 months Only**

Pay **ANKIT SHARMA** of bearer

Rupees **Thirty Seven Thousand Only /-** या धारक को

₹ **37,000/-**

Account No. XXXXXXXXXXXXXXXXXX SB AC For XXXXXXXXXXXXXXXXXXXXXXXXXX

Payable at par through clearing/transfer at all branches of HDFC BANK LTD

Authorized Signatory  
Please sign above / give of stamp of



## Post Dated Cheque

If any cheque issued by a holder to the payee for the upcoming withdrawn date, then that type of cheques are called post-dated cheque.

For example - On 10 January 2019, Ram issued a cheque to Sham. Date written on the cheque is 10 February 2019.

## Post Dated Cheque

**HDFC BANK**

10/02/2019

Date: 10/02/2019

Pay ANKIT SHARMA Or Bearer

Rupees only: Thirty Seven Thousand Only /-

₹ 37,000/-

Payable at par through clearing/transfer at all branches of HDFC BANK LTD

Authorized Signatory





## Ante Dated Cheque

If date entered on the cheque is prior to the current date, that type of cheque is known as Ante-dated cheque.

For example - On 10 January 2019, Ram issued a cheque to Sham. Date written on the cheque is 10 December 2018

## Ante Dated Cheque

The image shows a sample of an Ante Dated Cheque from HDFC Bank. The cheque is dated 12/11/2017, which is prior to the current date of 10/01/2019. The amount is ₹ 37,000/-. The cheque is payable to ANKIT SHARMA. The date field is highlighted with a red box and an arrow pointing to it, indicating that the date is prior to the current date.

HDFC BANK		Date 12/11/2017	
Pay ANKIT SHARMA		Or Bearer	
Rupees only Thirty Seven Thousand Only /-		₹ 37,000/-	
A/c No. XXXXXXXXXXXX SB AC		For XXXXXXXXXXXXXXXXXXXXXXXXXXXX	



## Self Cheque:

A self-cheque has the word 'self' written in the drawee column and can only be drawn at the issuer's bank.

**भारतीय स्टेट बैंक**  
State Bank Of India

(11724) KARAMANA  
KAIRALI PLAZA, NH-47, KARAMANA  
THIRUVANANTHAPURAM-695002  
IFS CODE: SBIN0011724

बैंक 3 महीने के लिए ही / VALID FOR 3 MONTHS ONLY  
12 05 2023  
D D M M Y Y Y Y

PAY **Self** को या उनके आदेश पर OR ORDER

रुपये RUPEES **Ten thousand rupees only**

अदा करें ₹ **10,000/-**

अ/c No: **00001234556001** VALID FOR Rs. 1000000/- & UNDER

Prefix :  
1515900002

MULTI-CITY CHEQUE Payable at Par at All Branches of SBI Please sign above

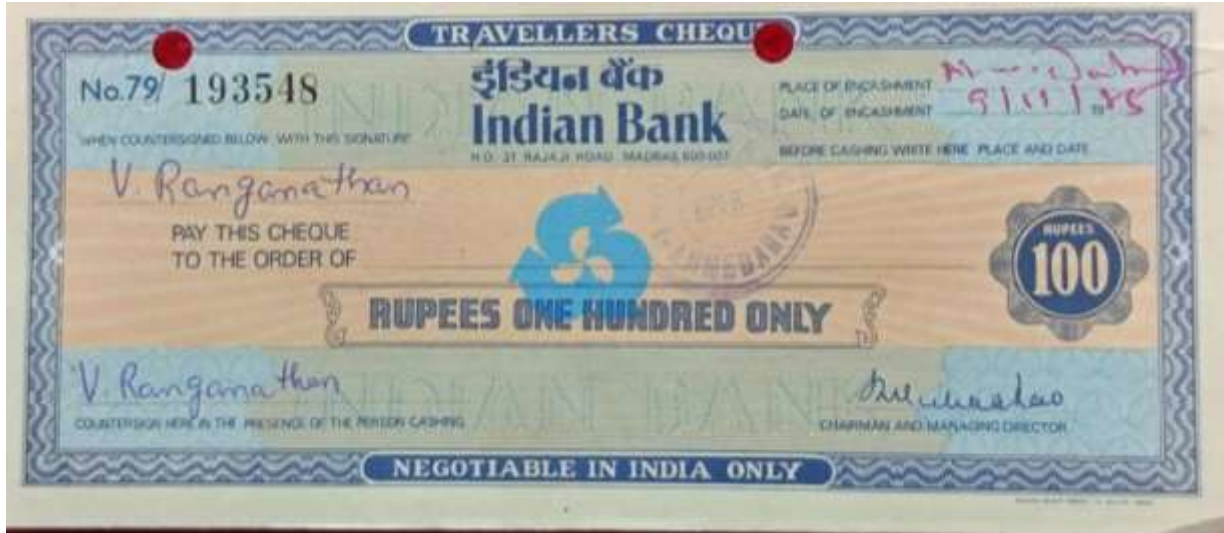
@950020@ 695002032@ 002860@ 31



## Traveller's Cheque:

It can be used by foreigners on a vacation in place of hard cash. These are issued by one bank and can be encashed in the form of currency at a different bank in a foreign location/country.

Traveller's cheques don't have an expiry date and can be used at later date.







**RECAP**

**QUESTIONS???**

**THANK YOU**