



SNS COLLEGE OF TECHNOLOGY



Coimbatore - 35

19BAT604 – Legal Aspects of Business

Unit III – The Negotiable Instruments Act, 1881



Presented by,
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Design Thinker.

1st Indian
Institution
to Implement

Design
Thinking
Curriculum

Redesigning Common Mind and Business Towards Excellence




Guess the Topic!!!

Liability of parties to Negotiable Instruments





Recap



Negotiation
Comparison between Assignment and Negotiation
Delivery
Types of Indorsement
Acceptance
Types of presentment for acceptance

**IN CASE YOU
MISSED IT**





Agenda

- Negotiation
- Parties to Negotiable instruments
- Liability of the parties to a Negotiable instruments
- Rules of Presentment for Payment





Negotiation



The capacity to make, draw, accept, negotiate and indorse a negotiate instrument depends on the capacity to enter into contracts.

A person incapable of contracting cannot bind himself but may, under certain circumstances, bind others.

When some of the parties to a negotiate instrument are capable of contracting and some or not, the capable parties are bound while the incapable parties are not



Parties to Negotiable Instrument



Minor



Person of Unsound Mind



Corporation



Agent



Legal Representative



Liability of the parties to a Negotiable Instrument



Liability of Drawer (s.36)

Liability of Acceptor or Maker (s.32)

Liability of Drawee of a Cheque (s.31)

Liability of Endorser (s.35)

Liability of Prior Parties to a holder in Due Course (s.36)



Liability of the parties to a Negotiable Instrument



Liability of an Agent (s.28)

Liability of Legal Representative (s.29)

Liability on an Accommodation Bill (s.43)

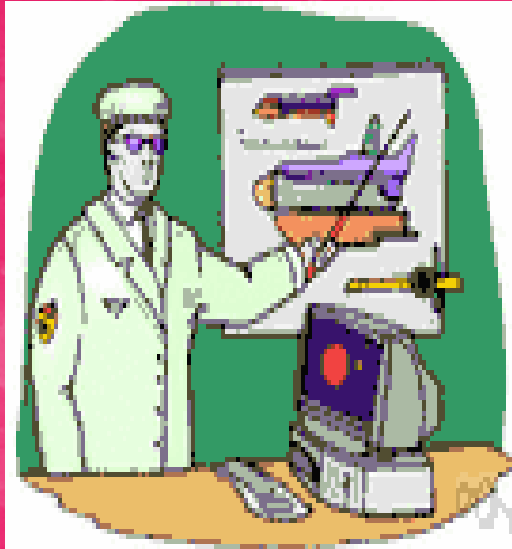
Drawer's Duty to Issue a Duplicate Instrument (s.45A)

Liability of Acceptor for Honour (s.111)

Liability of Banker



Rules of Presentment for Payment



Presentment of Promissory note for sight

Presentment for Payment

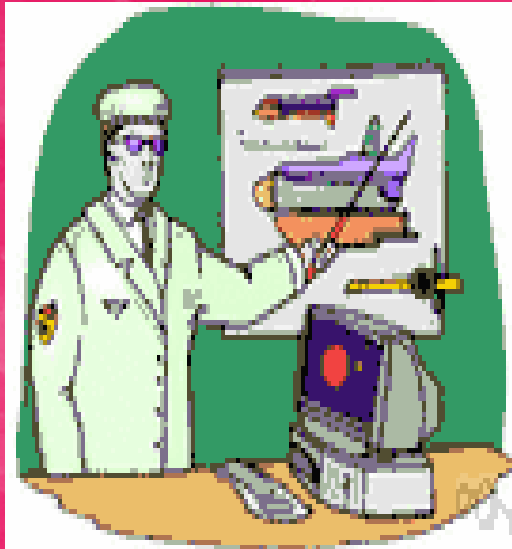
Hours for Presentment

Presentment for payment of instrument payable after date or sight

Presentment for payment of promissory note payable by installments



Rules of Presentment for Payment



Presentment for payment of promissory note payable at specified place and not elsewhere

Instrument payable at specified place

Presentment where no exclusive place specified

Presentment when maker, etc., has no known place of business or residence

Presentment of cheque to charge drawer



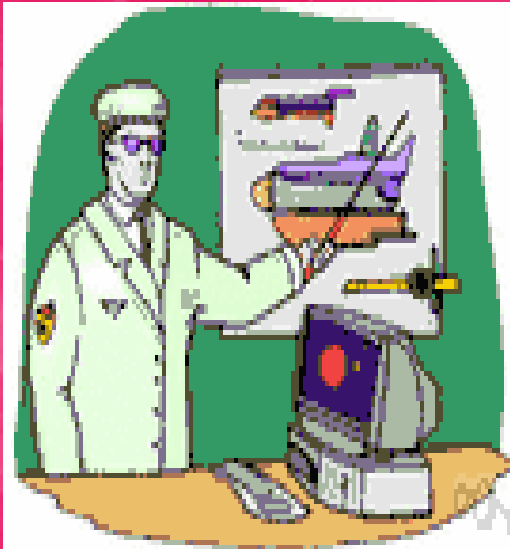
Rules of Presentment for Payment

Presentment of cheque to charge any other person

Presentment of instrument payable on demand

Presentment by or to agent representative of deceased or assignee of insolvent

Excuse for delay in presentment for acceptance or payment





Knowledge Check

If a Minor draw, indorse, deliver and negotiate Negotiable Instruments, it binds ___

All the parties except minor

All the parties including minor

Minor Only

Minor and Only Drawer

Minor and the Drawee

All the parties except minor



Recap

- Negotiation
- Parties to Negotiable instruments
- Liability of the parties to a Negotiable instruments
- Rules of Presentment for Payment

I just need
the main ideas





References

- ✓ <http://legislative.gov.in/sites/default/files/A1881-26.pdf>
- ✓ <https://www.indiacode.nic.in/handle/123456789/2189?locale=en>



Thanks!



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