



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!!!

Special Rules Regarding Cheque and Demand Draft





Recap

Why holder in due course is important?

Holder in due course

Holder for value

Conditions for holder in due course

**IN CASE YOU
MISSED IT**



Agenda

- Importance of Cheque and Demand Draft
- Cheque and Demand Draft
- Types of Cheques
- Features and Types of Demand Draft
- Difference between Cheque and Demand Draft





Importance of Cheque and Demand Draft





Cheque & Demand Draft



भारतीय स्टेट बैंक
State Bank Of India

(11724) KARAMANA
KAIRALI PLAZA, NH-47, KARAMANA
THIRUVANANTHURAM-686002
IFB CODE: SBIN0011724

बैंक 3 महीने के लिए वैध / VALID FOR 3 MONTHS ONLY
DDMMYYYY

PAY **Mihir Bajaj** को या उनके आदेश पर OR ORDER

रुपये **RUPEES Ten thousand only**

अदा करें ₹ **10,000/-**

अच. नं. / A/c No. **000122234656767** 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

आपके अपने बैंक भारतीय स्टेट बैंक
State Bank of India
Issuing Branch: S.HAG NAGAR
ब्रांच कोड / CODE No: 16826
Tel No: 05612

सांचड्राफ्ट
DEMAND DRAFT

01052019
DDMMYYYY

मांगे जल्दियर **COMEDK (App No.)** या उनके आदेश पर
ON DEMAND PAY OR ORDER

रुपये **RUPEES FIFTY FIVE THOUSAND ONLY**

अदा करें ₹ **55,000/-**

ICR 000381158399 Key: NEJMAW Sr. No: 878201

भारतीय स्टेट बैंक
STATE BANK OF INDIA

भारतीय स्टेट बैंक
STATE BANK OF INDIA

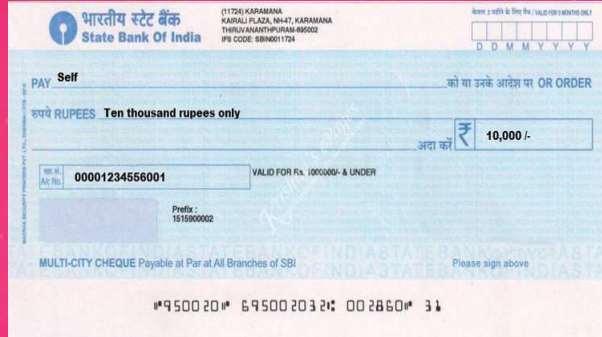
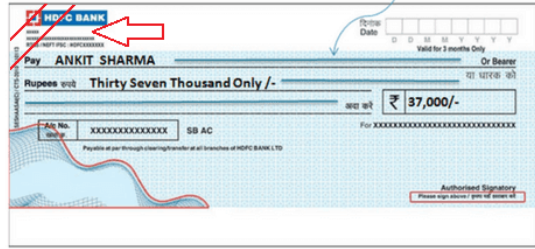
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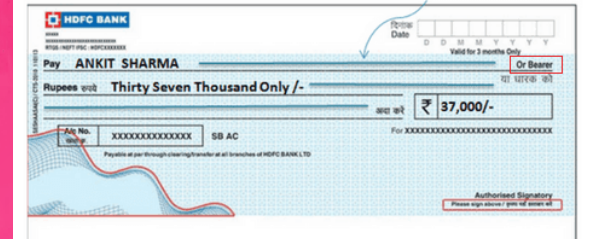
Types of Cheque



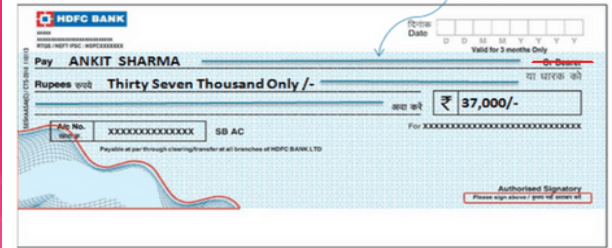
Crossed Cheque



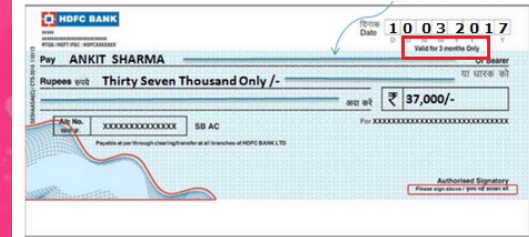
Bearer Cheque



Order Cheque

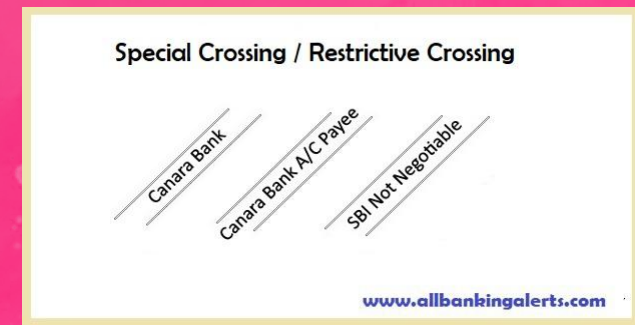
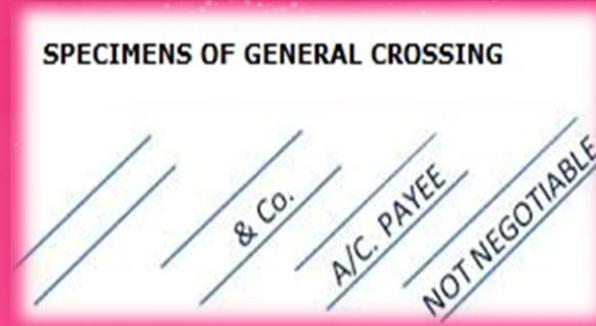
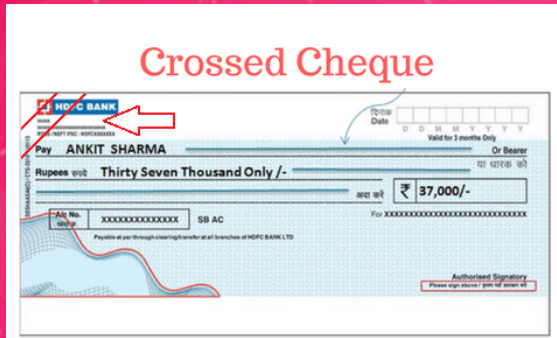


Stale Cheque





Types of Crossing of Cheque





Features and Types of Demand Draft



Demand Draft

Sight Demand Draft

Time Demand Draft



Difference Between Cheque and Demand Draft

Cheque	Demand Draft
The cheque is issued by the customer	Demand draft is issued by the bank
In cheque payment is made after presenting the cheque to the bank,	DD is given after making payment to the bank.
A cheque can bounce due to insufficient balance.	DD cannot be dishonored as the amount is paid beforehand.
Payment of cheque can be stopped by the drawee.	payment cannot be stopped in DD.
A cheque can be paid to bearer or order.	DD is paid to a person on order.
In cheque drawer and payee are different persons.	In DD, both parties are banks.
A cheque needs signature to transfer amount.	DD does not require signature to transfer funds.



Knowledge Check



Which of these is not a Negotiable Instrument according to Negotiable Instruments Act, 1881?

Cheque

Bill of Exchange

Currency Note

Promissory Note

None of these

Currency Note



Recap

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References

✓ <https://indiankanoon.org/doc/1132672/>



Thanks!



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