

Source: sooperkanoon.com/act/441083

Negotiable Instruments Act, 1881

Section 44 - Partial absence or failure of money-consideration.—When the consideration for which a person signed a promissory note,

Explanation. The drawer of a bill of exchange stands in immediate relation with the acceptor. The maker of a promissory note, bill of exchange or cheque stands in immediate relation with the payee, and the indorser with his indorsee. Other signers may by agreement stand in immediate relation with a holder. Illustration A draws a bill on B for Rs. 500 payable to the order of A, B accepts the bill, but subsequently dishonours it by non-payment. A sues B on the bill, B proves that it was accepted for value as to Rs. 400, and as an accommodation to the plaintiff as to the residue. A can only recover Rs. 400.