

Negotiable Instruments Act, 1881

Complete Act - Negotiable Instruments Act, 1881

Section1 - Short title.This Act may be called the Negotiable Instruments Act,

Section2 - The words except the State of Jammu and Kashmir, which were subs. by Act 3 of 1951, for except Part B States,

Section3 - Interpretation-clause.In this Act

Section4 - Definition of the word India, which was subs. by Act 3 of 1951, for the definition of the word State, omitted by

Section5 - Subs. by Act 37 of 1955, s. 2, for the definition of the word banker

Section6 - Omitted by Act 53 of 1952, s. 16

Section11 - Inland instrument.A promissory note, bill of exchange or cheque drawn or made in 2[India] and made payable in, or

Section12 - Foreign instrument. Any such instrument not so drawn, made or made payable shall be deemed to be a foreign instrument

Section14 - Negotiation.When a promissory note, bill of exchange or cheque is transferred to any person, so as to constitute that

Section15 - Indorsement.When the maker or holder of a negotiable instrument signs the same, otherwise than as such maker, for the

Section16 - Indorsement in blank and in full. 5 [

Section17 - Ambiguous instruments.Where an instrument may be construed either as a promissory note or bill of exchange, the holder

Section18 - Where amount is stated differently in figures and words.If the amount undertaken or ordered to be paid is stated

Section19 - Instruments payable on demand.A promissory note or bill of exchange, in which no time for payment is specified, and a

Section20 - Inchoate stamped instruments.Where one person signs and delivers to another a paper stamped in accordance with the law

Section23 - Calculating maturity of bill or note payable so many months after date or sight.In calculating the date at which a

Section24 - Calculating maturity of bill or note payable so many days after date or sight.In calculating the date at which a

Section25 - When day of maturity is a holiday.When the day on which a promissory note or bill of exchange is at maturity is a

Section26 - Capacity to make, etc., promissory notes, etc.Every person capable of contracting, according to the law to which he is

Section27 - Agency. Every person capable of binding himself or of being bound, as mentioned in section 26, may so bind himself or

Section28 - Liability of agent signing.An agent who signs his name to a promissory note, bill of exchange or cheque without

Section29 - Liability of legal representative signing.A legal representative of a deceased person who signs his name to a

Section30 - Liability of drawer.The drawer of a bill of exchange or cheque is bound, in case of dishonour by the drawee or

Section31 - Liability of drawee of cheque.The drawee of a cheque having sufficient funds of the drawer in his hands properly

Section32 - Liability of maker of note and acceptor of bill.In the absence of a contract to the contrary, the maker of a

Section33 - Only drawee can be acceptor except in need or for honour.No person except the drawee of a bill exchange, or all or

Section34 - Acceptance by several drawees not partners.Where there are several drawees of a bill of exchange who are not partners,

Section35 - Liability of indorser.In the absence of a contract to the contrary, whoever indorses and delivers a negotiable

Section36 - Liability of prior parties to holder in due course.Every prior party to a negotiable instrument is liable thereon to a

Section37 - Maker, drawer and acceptor principals.The maker of a promissory note or cheque, the drawer of a bill of exchange until

Section38 - Prior party a principal in respect of each subsequent party.As between the parties so liable as sureties, each prior

Section39 - Suretyship.When the holder of an accepted bill of exchange enters into any contract with the acceptor which, under

Section40 - Discharge of indorser's liability.Where the holder of a negotiable instrument, without the consent of the indorser,

Section41 - Acceptor bound, although, indorsement forged.An acceptor of a bill of exchange already indorsed is not relieved from

Section43 - Negotiable instrument made, etc., without consideration.A negotiable instrument made, drawn, accepted, indorsed or

Section44 - Partial absence or failure of money-consideration.When the consideration for which a person signed a promissory note,

Section45 - Partial failure of consideration not consisting of money.Where a part of the consideration for which a person signed a

Section46 - Delivery.The making, acceptance or indorsement of a promissory note, bill of exchange or cheque is completed by

Section47 - Negotiation by delivery.Subject to the provisions of section 58, a promissory note, bill of exchange or cheque payable

Section48 - Negotiation by indorsement.Subject to the provisions of section 58, a promissory note, bill of exchange or cheque

Section49 - Conversion of indorsement in blank into indorsement in full.The holder of a negotiable instrument indorsed in blank

Section50 - Effect of indorsement.The indorsement of a negotiable instrument followed by delivery transfers to the indorsee the

Section51 - Who may negotiate.Every sole maker, drawer, payee or indorsee, or all of several joint makers, drawers, payees or

Section52 - Indorser who excludes his own liability or makes it conditional.The indorser of a negotiable instrument may, by

Section53 - Holder deriving title from holder in due course.A holder of a negotiable instrument who derives title from a holder in

Section54 - Instrument indorsed in blank.Subject to the provisions hereinafter contained as to crossed cheques, a negotiable

Section55 - Conversion of indorsement in blank into indorsement in full.If a negotiable instrument, after having been indorsed in

Section56 - Indorsement for part of sum due.No writing on a negotiable instrument is valid for the purpose of negotiation if such

Section57 - Legal representative cannot by delivery only negotiate instrument indorsed by deceased. The legal representative of a

Section58 - Instrument obtained by unlawful means or for unlawful consideration.When a negotiable instrument has been lost, or has

Section59 - Instrument acquired after dishonour or when overdue.The holder of a negotiable instrument, who has acquired it after

Section60 - Instrument negotiable till payment or satisfaction.A negotiable instrument may be negotiated

Section 61 - Presentment for acceptance. A bill of exchange payable after sight must, if no time or place is specified therein for

Section 62 - Presentment of promissory note for sight. A promissory note, payable at a certain period after sight, must be presented

Section 63 - Drawee's time for deliberation. The holder must, if so required by the drawee of a bill of exchange presented to him

Section 64 - Presentment for payment. 3[

Section 65 - Hours for presentment. Presentment for payment must be made during the usual hours of business and, if at a banker's

Section 66 - Presentment for payment of instrument payable after date or sight. A promissory note or bill of exchange, made payable

Section 67 - Presentment for payment of promissory note payable by instalments. A promissory note payable by instalments must be

Section 68 - Presentment for payment of instrument payable at specified place and not elsewhere. A promissory note, bill of exchange

Section 69 - Instrument payable at specified place. A promissory note or bill of exchange made, drawn or accepted payable at a

Section 70 - Presentment where no exclusive place specified. A promissory note or bill of exchange, not made payable as mentioned in

Section 71 - Presentment when maker, etc., has no known place of business or residence. If the maker, drawee or acceptor of a

Section 72 - Presentment of cheque to charge drawer. 1[Subject to the provisions of section 84,] a cheque must, in order to charge

Section 73 - Presentment of cheque to charge any other person. A cheque must, in order to charge any person except the drawer, be

Section 74 - Presentment of instrument payable on demand. Subject to the provisions of section 31, a negotiable instrument payable

Section 75 - Presentment by or to agent, representative of deceased, or assignee of insolvent. Presentment for acceptance or

Section 76 - When presentment unnecessary. No presentment for payment is necessary, and the instrument is dishonoured at the due

Section 77 - Liability of banker for negligently dealing with bill presented for payment. When a bill of exchange, accepted payable

Section 79 - Interest when rate specified. When interest at a specified rate is expressly made payable on a promissory note or bill

Section 80 - Interest when no rate specified. When no rate of interest is specified in the instrument, interest on the amount due

Section 81 - Delivery of instrument on payment or indemnity in case of loss. 3[

Section 82 - Discharge from liability. The maker, acceptor or indorser respectively of a negotiable instrument is discharged from

Section 83 - Discharge by allowing drawee more than forty-eight hours to accept. If the holder of a bill of exchange allows the

Section 85 - Cheque payable to order. 3[

Section 86 - Parties not consenting discharged by qualified or limited acceptance. If the holder of a bill of exchange acquiesces in

Section 87 - Effect of material alteration. Any material alteration of a negotiable instrument renders the same void as against

Section 88 - Acceptor or indorser bound notwithstanding previous alteration. An acceptor or indorser of a negotiable instrument is

Section 89 - Payment of instrument on which alteration is not apparent. 1[

Section 90 - Extinguishment of rights of action on bill in acceptor's hands. If a bill of exchange which has been negotiated is, at

Section 91 - Dishonour by non-acceptance. A bill of exchange is said to be dishonoured by non-acceptance when the drawee, or one of

Section92 - Dishonour by non-payment. A promissory note, bill of exchange or cheque is said to be dishonoured by non-payment when

Section93 - By and to whom notice should be given. When a promissory note, bill of exchange or cheque is dishonoured by

Section94 - Mode in which notice may be given. Notice of dishonour may be given to a duly authorized agent of the person to whom it

Section95 - Party receiving must transmit notice of dishonour. Any party receiving notice of dishonour must, in order to render any

Section96 - Agent for presentment. When the instrument is deposited with an agent for presentment, the agent is entitled to the

Section97 - When party to whom notice given is dead. When the party to whom notice of dishonour is dispatched is dead, but the

Section98 - When notice of dishonour is unnecessary. No notice of dishonour is necessary

Section99 - Noting. When a promissory note or bill of exchange has been dishonoured by non-acceptance or non-payment, the holder

Section100 - Protest. When a promissory note or bill of exchange has been dishonoured by non-acceptance or non-payment, the holder

Section101 - Contents of protest. A protest under section 100 must contain

Section102 - Notice of protest. When a promissory note or bill of exchange is required by law to be protested, notice of such

Section103 - Protest for non-payment after dishonour by non-acceptance. All bills of exchange drawn payable at some other place than

Section104 - Protest of foreign bills. Foreign bills of exchange must be protested for dishonour when such protest is required by

Section105 - Reasonable time. In determining what is a reasonable time for presentment for acceptance or payment, for giving notice

Section106 - Reasonable time of giving notice of dishonour. If the holder and the party to whom notice of dishonour is given carry

Section107 - Reasonable time for transmitting such notice. A party receiving notice of dishonour, who seeks to enforce his right

Section108 - Acceptance for honour. When a bill of exchange has been noted or protested for non-acceptance or for better security,

Section109 - How acceptance for honour must be made. A person desiring to accept for honour must, 2

Section110 - Acceptance not specifying for whose honour it is made. Where the acceptance does not express for whose honour it is

Section111 - Liability of acceptor for honour. An acceptor for honour binds himself to all parties subsequent to the party for whose

Section112 - When acceptor for honour may be charged. An acceptor for honour cannot be charged unless the bill has at its maturity

Section113 - Payment for honour. When a bill of exchange has been noted or protested for non-payment, any person may pay the same

Section114 - Right of payer for honour. Any person so paying is entitled to all the rights in respect of the bill, of the holder at

Section115 - Drawee in case of need. Where a drawee in case of need is named in a bill of exchange, or in any indorsement thereon,

Section116 - Acceptance and payment without protest. A drawee in case of need may accept and pay the bill of exchange without

Section117 - Rules as to compensation. The compensation payable in case of dishonour of a promissory note, bill of exchange or

Section118 - Presumptions as to negotiable instruments. Until the contrary is proved, the following presumptions shall be made:

Section119 - Presumption on proof of protest. In a suit upon an instrument which has been dishonoured, the Court shall, on proof of

Section120 - Estoppel against denying original validity of instrument.No maker of a promissory note, and no drawer of a bill of

Section121 - Estoppel against denying capacity of payee to indorse.No maker of a promissory note and no acceptor of a bill of

Section122 - Estoppel against denying signature or capacity of prior party.No indorser of a negotiable instrument shall, in a suit

Section123 - Cheque crossed generally.Where a cheque bears across its face an addition of the words and company or any

Section124 - Cheque crossed specially.Where a cheque bears across its face an addition of the name of a banker, either with or

Section125 - Crossing after issue.Where a cheque is uncrossed, the holder may cross it generally or specially

Section126 - Payment of cheque crossed generally.Where a cheque is crossed generally, the banker on whom it is drawn shall not pay

Section127 - Payment of cheque crossed specially more than once.Where a cheque is crossed specially to more than one banker, except

Section128 - Payment in due course of crossed cheque.Where the banker on whom a crossed cheque is drawn has paid the same in due

Section129 - Payment of crossed cheque out of due course.Any banker paying a cheque crossed generally otherwise than to a banker,

Section130 - Cheque bearing not negotiable.A person taking a cheque crossed generally or specially, bearing in either case the

Section131 - Non-liability of banker receiving payment of cheque.A banker who has in good faith and without negligence received

Section132 - Set of bills.Bills of exchange may be drawn in parts, each part being numbered and containing a provision that it

Section133 - Holder of first acquired part entitled to allAs between holders in due course of different parts of the same set, he

Section134 - Law governing liability of maker, acceptor or indorser of foreign instrument.In the absence of a contract to the

Section135 - Law of place of payment governs dishonour.Where a promissory note, bill of exchange or cheque is made payable in a

Section136 - Instrument made, etc., out of India, but in accordance with the law of India.If a negotiable instrument is made,

Section137 - Presumption as to foreign law.The law of any foreign country 1*** regarding promissory notes, bills of exchange and

Section138 - Dishonour of cheque for insufficiency, etc., of funds in the account.Where any cheque drawn by a person on an account

Section139 - Presumption in favour of holder.It shall be presumed, unless the contrary is proved, that the holder of a cheque

Section140 - Defence which may not be allowed in any prosecution under section 138.Itshall not be a defence in a prosecution for an

Section141 - Offences by companies.

Section142 - Cognizance of offences.1[

Section143A - (2) The amount referred to in sub-section

Section144 - Mode of service of summons.

Section145 - Evidence on affidavit.

Section146 - Banks slip prima facie evidence of certain facts.The Court shall, in respect of every proceeding under this Chapter,

Section147 - Offences to be compoundable.Notwithstanding anything contained in the Code of Criminal Procedure, 1973