

Negotiable Instruments Act, 1881

Section 6 - Omitted by Act 53 of 1952, s. 16

w.e.f. 14-2-1956). 8 (h) I promise to Pay B Rs. 500 and to deliver to him my black horse on 1st January next. The instruments respectively marked (a) and (b) are promissory notes. The instruments respectively marked (c), (d), (e), (f), (g) and (h) are not promissory notes. 5. Bill of exchange. A bill of exchange is an instrument in writing containing an unconditional order, signed by the maker, directing a certain person to pay a certain sum of money only to, or to the order of, a certain person or to the bearer of the instrument. A promise or order to pay is not conditional, within the meaning of this section and section 4, by reason of the time for payment of the amount or any instalment thereof being expressed to be on the lapse of a certain period after the occurrence of a specified event which, according to the ordinary expectation of mankind, is certain to happen, although the time of its happening may be uncertain. The sum payable may be certain, within the meaning of this section and section 4, although it includes future interest or is payable at an indicated rate of exchange, or is according to the course of exchange, and although the instrument provides that, on default of payment of an instalment, the balance unpaid shall become due. The person to whom it is clear that the direction is given or that payment is to be made may be a certain person, within the meaning of this section and section 4, although he is mis-named or designated by description only. [6. Cheque. A cheque is a bill of exchange drawn on a specified banker and not expressed to be payable otherwise than on demand and it includes the electronic image of a truncated cheque and a cheque in the electronic form. Explanation I. For the purposes of this section, the expressions [(a) a cheque in the electronic form means a cheque drawn in electronic form by using any computer resource and signed in a secure system with digital signature (with or without biometrics signature) and asymmetric crypto system or with electronic signature, as the case may be;] (b) a truncated cheque means a cheque which is truncated during the course of a clearing cycle, either by the clearing house or by the bank whether paying or receiving payment, immediately on generation of an electronic image for transmission, substituting the further physical movement of the cheque in writing. Explanation II. For the purposes of this section, the expression clearing house means the clearing house managed by the Reserve Bank of India or a clearing house recognised as such by the Reserve Bank of India.] [Explanation III. For the purposes of this section, the expressions asymmetric crypto system, computer resource, digital signature, electronic form and electronic signature shall have the same meanings respectively assigned to them in the Information Technology Act, 2000 (21 of 2000).] 7. Drawer Drawee. The maker of a bill of exchange or cheque is called the drawer; the person thereby directed to pay is called the drawee. Drawee in case of need. When in the Bill or in any indorsement thereon the name of any person is given in addition to the drawee to be resorted to in case of need such person is called a drawee in case of need. Acceptor. After the drawee of a bill has signed his assent upon the bill, or, if there are more parts thereof than one, upon one of such parts, and delivered the same, or given notice of such signing to the holder or to some person on his behalf, he is called the acceptor. Acceptor for honour. 4 [When a bill of exchange has been noted or protested for non-acceptance or for better security,] and any person accepts it supra protest for honour of the drawer or of any one of the indorsers, such person is called an acceptor for honour.