

Law Audience Journal, Volume 5 & Issue 1, 25th February 2023, e-ISSN: 2581-6705, Indexed Journal, Impact Factor 5.497, Published at <https://www.lawaudience.com/volume-5-issue-1/>, Pages: 04 to 17,

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Cite this article as:

MR. AKSHAT DAS, “*The Negotiable Instruments Act, 1881: An Overview*”, Vol.5 & Issue 1, Law Audience Journal (e-ISSN: 2581-6705), Pages 04 to 17 (25th February 2023), available at <https://www.lawaudience.com/the-negotiable-instruments-act-1881-an-overview/>.

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Publisher Details Are Available At:

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(E-ISSN: 2581-6705)

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I. INTRODUCTION:

Promissory notes, bills of exchange, and cheques are the three types of instruments that are recognised under the Negotiable Instruments Act of 1881. Nevertheless, instruments written in an eastern language, such as Hundies, are not included in the scope of this act. NEFT, which stands for "*National Electronic Fund Transfer*," and RTGS, which stands for "*Real Time Gross Settlement*," are two more forms of payment that have emerged as a result of the development of technology (*Real Time Gross Settlement*). *The Payment and Settlement Systems Act, 2007*, is the piece of legislation that contains the provisions of the law governing these two different kinds of electronic money transfers: NEFT and RTGS. Cases that include the dishonouring of electronic transfers are addressed in Section 25 of the Payment and Settlement Systems Act, which was passed in 2007. The provisions of Chapter XVII of the Negotiable Instruments Act, 1881 shall apply to situations relating to the dishonour of electronic money transfer, according to Section 25(5) of the Payment and Settlement Systems Act of 2007, which states that these provisions shall apply.

Yet, the word "*instrument*" refers to a written document by virtue of which a right is formed in favour of some individual. The word "*negotiable*" refers to something that can be transferred from one person to another in exchange for some kind of consideration. So, any piece of paper that entitles a person to a quantity of money and that may be transferred (*just like cash*) by delivery is eligible to be referred to as a "*negotiable instrument*." This term is allowed to be used. Hence, a document that can be transferred by delivery is referred to as a negotiable instrument. The term "negotiable instrument" has not been defined in its entirety in the Negotiable Instruments Act, 1881. At most, Section 13 of the Negotiable Instruments Act, 1881 states that a negotiable instrument is a promissory note, bill of exchange, or cheque that is payable either to order or to bearer. However, the term "negotiable instrument" has not been defined in its entirety. The primary distinction between a negotiable instrument and other documents (or a chattel) is that in the case of a negotiable instrument, the transferee, in good faith and for consideration, attains a good title even though the title of the transferor may be suffering from a defect. On the other hand, in the case of other documents, the transferee gets a similar title (*or, to say it another way, no better title*) than the transferor. The Negotiable

Instruments Act, 1881 went into effect on March 1, 1881, and its scope includes the entirety of India. This law was passed in India.

II. CHARACTERISTIC FEATURES OF NEGOTIABLE INSTRUMENTS:

Following are the characteristic features of a negotiable instrument:

1. **Transferability:** *A negotiable instrument has the ability to be transferred at will, which means that it can be transferred any number of times up until its maturity date. If the instrument is "payable to bearer," then it is sufficient to just deliver it. If, on the other hand, it can be "paid to order," then it satisfies the requirements for endorsement and delivery. When a negotiable instrument is transferred, the recipient not only obtains the right to the money that is owed to them but also the right to further transfer the instrument.*
2. **Independent Title:** *The basic premise that no one can grant a stronger title than he himself has when it comes to the transfer of property is not relevant in the case of negotiable instruments. This is because negotiable instruments are not considered to be property. In the event that the transferor had obtained a negotiable instrument by engaging in fraudulent activity, but the transferee had obtained that same negotiable instrument in good-faith (bona fide) for value, then the transferee shall be entitled to a good title as regards that particular negotiable instrument. So, in regards to a negotiable document, the title of the transferee is independent of the title of the transferor. In addition, the principle that "no one may grant a better title than he himself possesses" (**nemo dat quod non habet**), which states that this principle does not apply to situations involving negotiable instruments, does not come into play.*
3. **Certainty:** *A negotiable instrument is a carrier without luggage. It is an essential requirement of a negotiable instrument that it be framed in the fewest words possible, and in those words which would make the contract certain and precise. This is because it is an essential requirement that it be framed in those words which would make the contract certain and precise. A negotiable document must not include any conditions*

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that would materially hinder its circulation in order to be free from those conditions. A particular (that is, set or definite) amount of money needs to be paid in order for a negotiable document to be considered valid (money only and nothing else).

4. **Right to Sue:** *Transferee (payee) of a negotiable instrument is not required to give notice of the transfer of the negotiable instrument to the party (drawer) which is liable to make/honour the payment under the negotiable instrument. Without providing notice of transfer to the original debtor—that is, without informing the original debtor of the fact that the transferee has become the holder of the negotiable instrument—the transferee is able to sue on a negotiable instrument in its own name in the event that the instrument is dishonoured. This is possible even in the event that the original debtor is unaware that the transferee has become the holder of the instrument.*
5. **Presumptions:** *The Negotiable Instruments Act of 1881 includes a number of presumptions, some of which are applicable to all negotiable documents. These presumptions can be found in sections 118 and 119 of the acts.*

III. PRESUMPTIONS UNDER SECTION 118 AND SECTION 119 OF THE NEGOTIABLE INSTRUMENTS ACT, 1881:

According to the mandate of Section 101 of the Indian Evidence Act, 1872, the initial burden of proving a prima facie case in his favour is cast on the plaintiff. When the plaintiff produces such evidence as will support a prima facie case in his favour, then the onus shifts to the defendant to produce before the court of law such evidence that will meet the case made out by the plaintiff. In other words, the burden of proof shifts when the plaintiff produces such evidence as will support a prima facie case in his favour. As the proceedings of the lawsuit go on, it is possible that the burden of proof will once more fall on the plaintiff.

According to the provisions of Section 118 of the Negotiable Instruments Act of 1881, the following presumptions are to be made unless it is proven that they are not accurate:

1. **Consideration:** *In the case of a negotiable instrument, the complaint is required to establish, on the basis of consideration, that he had received the negotiable instrument*

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in good faith against consideration. It is to be presumed that every negotiable instrument was created (that is, drawn) for the purpose of receiving compensation, and it is also to be presumed that every such instrument, when it is accepted, endorsed, or transferred, was done so for the purpose of receiving compensation (or against compensation). Therefore, in the event that the complainant files a complaint for dishonour of cheque (that is, negotiable instrument), the accused person may avoid the liability by proving that he is not liable to make any payment under the negotiable instrument to the complainant, as there is no sum due to be paid to the complainant by the accused person. This is because there is no sum due to be paid to the complainant by the accused person.

2. **Date:** *In the event of a negotiable instrument, it is to be presumed that the negotiable instrument was drawn on the date that is mentioned on the face of the negotiable instrument. This date is to be presumed to be the date that the negotiable instrument was drawn.*
3. **The Time of Acceptance:** *In the event of a negotiable document, it is to be presumed that it was accepted within a reasonable amount of time from the date of its execution and before to its maturity. This presumption is to be made in accordance with the time of acceptance.*
4. *The time at which the transfer took place It is reasonable to assume that any transfer involving a negotiable instrument took place before the day on which it was scheduled to mature.*
5. *The Order of Indorsements It is reasonable to assume that the indorsements that appear on a negotiable document were signed in the same order or sequence in which they appear on the instrument itself. This is known as the presumption of conformity.*
6. *A stamp is necessary because it is reasonable to assume that a promissory note, bill of exchange, or check that went missing was properly stamped.*
7. **Holder in Due Course:** *It is to be presumed that every holder of a negotiable instrument accepted the negotiable instrument in good faith and for consideration when they took possession of the instrument. The person who is accused is the one who has the burden*

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of proving that the person who is now holding the negotiable instrument is not a holder in due course.

It is vital for us to understand the conceptual framework as regards "*noting*" and "*protest*" before we attempt to comprehend the assumption that is outlined in *Section 119 of the Negotiable Instruments Act, 1881*. This is because the presumption is outlined in that section. When a promissory note, bill of exchange, or cheque is dishonoured due to nonacceptance or nonpayment, the holder is required to give notice of dishonour to all parties to the instrument, whom he seeks to make liable thereon, in accordance with the mandate that is contained in *Section 93 of the Negotiable Instruments Act, 1881*. This mandate can be found in Section 93 of the Negotiable Instruments Act. When a promissory note or bill of exchange has been dishonoured due to nonacceptance or nonpayment, the holder of such instrument may cause such dishonour to be noted by a notary public upon the instrument or upon a paper annexed (*or attached*) thereto, or partly upon each of them, that is, the instrument and the paper annexed to the instrument. This is in accordance with the mandate contained in *Section 99 of the Negotiable Instruments Act, 1881*. In addition, the Negotiable Instruments Act of 1881, Section 100 specifies that the person who holds an instrument has the right to protest the dishonour of the instrument by having it done so by a notary public within a reasonable amount of time after the dishonour of the instrument has occurred.

After providing the drawer and endorsers with a notice of dishonour in the event that a negotiable instrument is dishonoured, the holder of the instrument has the right to suit the prior parties in connection to the negotiable instrument. These prior parties include the drawer. If a negotiable instrument has been dishonoured, the holder of the instrument might want legitimate proof of this fact in order to proceed with their business. When a check is returned as dishonoured, the bank that refused to honour the payment often sends the check back to the customer along with a written explanation of the reasons why the check was returned as dishonoured. In a similar vein, Section 99 and Section 100 of the Negotiable Instruments Act, 1881 make provisions for easy-to-use methods of certifying the fact that a bill of exchange or promissory note has been dishonoured through the use of the terms "*noting*" and "*protest*." As soon as a bill of exchange or promissory note is dishonoured, the holder of the instrument has

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the right to sue the parties liable thereto. This right can be exercised only when the holder has given the parties adequate notice of the dishonour. In accordance with Section 99, a means of validating the fact that the bill has been dishonoured is made available. This method involves taking notes on the instrument. A noting is a minute that has been entered by a notary public either on the dishonoured instrument itself or on a document that is attached to such an instrument. When a bill is to be documented, it is taken to a notary public who acts as its representative for acceptance or payment, depending on the circumstances. If the drawee or acceptor continues to refuse to accept or pay the bill, the bill is noted in the manner described in the previous paragraph.

Noting should specify the following matters in the instrument: (a) The fact of dishonour; (b) The date of dishonour; (c) The reason for such dishonour; (d) The notary's charges; (e) A reference to the notary's register; and (f) The notary's initials

After a dishonour, the notary should make their notation within a fair amount of time. Noting and protesting are not necessary, however foreign bills must be protested for dishonour when the legislation of the place where such bills are prepared requires such a protest to be made. Checks are not subject to the requirements of noting and objecting. Noting by itself does not have any legal consequence; but, it does have some benefits. The note must be completed within a fair amount of time in order for a protest to be drawn at a later time. Noting a measure without raising any objections is all that is required for it to be approved for honour. A protest is a formal certificate issued by a notary public attesting the dishonour of a bill as a result of the bill not being accepted or not being paid for, depending on the circumstances. The next step for a notary, after making a notation, is to write a certificate of protest, which is a legal declaration on the bill or a duplicate of it. The most important benefit of filing a protest is that if you can prove that you filed it, the court will presume that the fact in question was dishonorable. In addition to protesting the bill's non-acceptance and non-payment, the holder may also protest the bill on the grounds that it should have stronger security. The holder of a bill has the right to protest the bill in order to acquire improved collateral for the amount that is owed if the acceptor of the bill becomes bankrupt, suspends payment before the date of maturity, or disappears before the date of maturity. In order to accomplish this goal, the holder

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may use the services of a notary public to make the demand on the acceptor; if the demand is refused, a protest may be lodged. Prior parties have the option of receiving notice of the protest. If a promissory note or bill of exchange is required to be protested in accordance with Section 102 of the Negotiable Instruments Act of 1881, a notice of protest rather than a notice of dishonour is the legal document that must be delivered to the payee.

Now that we have gone over the conceptual framework of "noting" and "protest," it will be simple to go on to Section 119 of the Negotiable Instruments Act, which was passed in 1881. The presumption on proof of protest is discussed in Section 119 of the Negotiable Instruments Act, which was passed in 1881. It states that if a suit is instituted upon the dishonour of a bill of exchange or a promissory note, then, on proof of the protest, the court shall presume the fact of dishonour, until and unless the same is rebutted (that is, disproved) by the acceptor of the bill of exchange or the promissory note.

IV. PROMISSORY NOTE (SECTION 4 OF THE NEGOTIABLE INSTRUMENTS ACT, 1881):

- 1. An instrument which satisfies the requirements of the definition contained in Section 4 of the Negotiable Instruments Act, 1881 must be held to be a promissory note, irrespective of, whether it is negotiable or not. Section 4 of the Negotiable Instruments Act, 1881: “It is an instrument in writing (not being a bank-note or a currency note) containing an unconditional undertaking signed by the maker, to pay a certain sum of money only to, or to the order of, a certain person, or to the bearer of the instrument.”*
- 2. It must be in writing, duly signed and properly stamped;*
- 3. There must be an undertaking or promise to pay; mere acknowledgement of indebtedness is not enough;*
- 4. It must not be conditional;*
- 5. It must contain a promise to pay money and money only;*
- 6. The parties to a promissory note, that is, the maker and the payee, must be certain;*
- 7. It is payable on demand or after a certain date;*

8. *The sum payable must be certain.*

V. BILL-OF-EXCHANGE (SECTION 5 OF THE NEGOTIABLE INSTRUMENTS ACT, 1881):

1. *There are three (3) parties involved in a bill of exchange: the drawer, the drawee and the payee;*
2. *It must be in writing, duly signed and accepted by its drawee and properly stamped;*
3. *There must be an order to pay;*
4. *It must be un-conditional;*
5. *The amount and the parties must be certain.*

VI. CHEQUE (SECTION 6 OF THE NEGOTIABLE INSTRUMENTS ACT, 1881):

1. *There are three (3) parties involved in a cheque: the drawer, the drawee bank and the payee;*
2. *It must be in writing and it must be signed by the drawer;*
3. *The payee is always certain;*
4. *It is always payable on demand;*
5. *It must bear a date, otherwise it is invalid, and shall not be honoured by the bank;*
6. *The amount must be specified clearly- both in figures and in words. According to Section 18 of the Negotiable Instruments Act, 1881, if the amount undertaken or ordered to be paid is stated differently in figures and in words, the amount stated in words shall be the amount undertaken or ordered to be paid.*
7. **Types of Cheques:**
 - a) **Open Cheque:** In such a cheque, it is possible to get the cash, over the counter of the bank;
 - b) **Bearer Cheque:** It is somewhat similar to an open cheque; in case of a bearer cheque, any person holding or bearing the cheque, can be made payment of the amount mentioned in the cheque;

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- c) **Crossed Cheque:** Generally speaking, open cheques are open to risk and it is dangerous to issue an open cheque, however, this risk can be avoided by using a crossed cheque which would only be credited into the bank account of the payee. A cheque can be crossed by drawing two parallel lines across the cheque on the left-hand side top corner of the cheque and with/without writing “*Account Payee*” or “*Not Negotiable*”;
- d) **Order Cheque:** It is a cheque which is payable to a particular person and in such a cheque the word bearer may be cut or cancelled;
- e) **Electronic Cheque:** It is a cheque which contains the exact mirror image of the cheque and it is generated in a secured system, ensuring safety standards with the use of digital signatures.
- f) **Note:**
- i. **Cheque Truncation:** *In cheque truncation, a cheque is scanned and an electronic image of the cheque is made out, and instead of a physical cheque to be transmitted in a clearing cycle, immediately on generation of an electronic image further physical movement of the cheque is substituted with such image.*
 - ii. **Restrictions of Reserve Bank of India on the instruments being made payable to the bearer:** *Section 31 of the Reserve Bank of India Act, 1934, states that, no person other than the Reserve Bank of India or the Central Government can draw or accept, make or issue any Bill-of-Exchange or Promissory Note payable to bearer on demand. Section 31(2) of the RBI Act, 1934, states that, notwithstanding anything contained in the Negotiable Instruments Act, 1881, no person in India, except for: the Reserve Bank of India and the Central Government, can make or issue promissory notes expressed to be payable to the bearer of the instrument.*

VII. DIFFERENCE BETWEEN PROMISSORY NOTE AND BILL- OF-EXCHANGE:

- 1) *In a promissory note there is an unconditional promise to pay, whereas in a bill-of exchange there is an unconditional order to pay.*

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- 2) *In a promissory note, there are two (2) parties, that is, the maker and the payee; however, in a bill-of-exchange there are three (3) parties, that is, drawer, drawee and payee.*
- 3) *In a promissory note acceptance is not required; however, in a bill of exchange acceptance by the drawee is a must.*
- 4) *In a promissory note, the liability of the drawer or the maker of the promissory note is primary and absolute; however, in a bill-of-exchange, the liability of the drawer is secondary and is conditional upon the non-payment by the drawee.*

VIII. DIFFERENCE BETWEEN CHEQUE AND BILL-OF-EXCHANGE:

- 1) Cheque is drawn on a banker; but a bill-of-exchange can be drawn on anybody including a banker.
- 2) Cheque is always payable on demand (See: Section 19 of the Negotiable Instruments Act, 1881); however, bill-of-exchange is either payable on demand or after a specified period.
- 3) A cheque can be crossed to end its negotiability; however, a bill-of-exchange cannot be crossed.
- 4) In a cheque, acceptance is not required; however, in a bill-of-exchange acceptance is a must.

IX. DIFFERENCE BETWEEN HOLDER AND HOLDER IN DUE COURSE:

- 1) *The “holder” of a promissory note, bill-of-exchange, or cheque means any person entitled in his own name to the possession thereof and to receive or recover the amount due thereon from the parties thereto. A “holder in due course” is a holder who has taken the instrument in good-faith with due care and caution for value (consideration) and before maturity. In case of ‘holder’, consideration is not necessary; also, a ‘holder’ may acquire the instrument after maturity.*

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- 2) A ‘holder’ does not get a better title than that of his transferor; a ‘holder in due course’ gets a better title than that of his transferor.
- 3) A ‘holder’ stands in a less advantageous position than that of a ‘holder in due course’. The title of a ‘holder in due course’ becomes free from all equities, that is, the defence which can be pleaded against the prior parties cannot be pleaded against a ‘holder in due course’. For example: When a negotiable instrument has been lost and thereafter has been obtained by a person by means of an offence (theft), then the person so obtaining the possession of the negotiable instrument cannot claim any right in respect of any amount due as regards such an instrument. But, if such an instrument is transferred to a person as a holder in due course, then he will get a good title.
- 4) A ‘holder’ does not enjoy any special privileges, but a ‘holder in due course’ enjoys certain special privileges, for example: the defence that the amount filled by the holder of an instrument was in excess of the authority given, cannot be pleaded against a holder in due course.
- 5) Where a bill was drawn by X in favour of Z and Z further endorsed the bill in favour of AB & Co., but the bill was endorsed with the initials- “AB”, without adding the initials- “Co.”, it was held that the endorsement was irregular and that the endorsee (AB & Co.) was not a holder in due course, though it might be a holder for value.¹

X. SECTION 138 OF THE NEGOTIABLE INSTRUMENTS ACT,

1881- IMPORTANT CASE-LAWS:

Vinay Kumar Shailendra vs. Delhi High Court Legal Services Committee & Anr, (2014) 10 SCC 708: In the case of, Delhi High Court Legal Services Committee vs. Government (NCT) of Delhi², a Division Bench of the High Court of Delhi invoked its jurisdiction under Article 226 of the Constitution of India, 1950 read with Section 482 of the Code of Criminal Procedure, 1973 and vide its judgment dated 23.09.2009 directed the return of all complaints filed under Section 138 of the Negotiable Instruments Act, 1881 in which the Metropolitan Magistrates in

¹ See: Arab Bank Ltd. v. Ross, (1952) 1 All ER 709

² (2009) 83 AIC 820 (Del)

***Title: “The Negotiable Instruments Act, 1881: An Overview”, Authored
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Delhi had taken cognizance only because the statutory notices in terms of proviso to Section 138 of the Negotiable Instruments Act, 1881 had been issued to the drawers of the cheque from Delhi. The contention of the writ-petitioner (*Delhi High Court Legal Services Committee*) before the Division Bench of the High Court was that the writ petition in the nature of PIL (*Public Interest Litigation*) has been filed before it as a very large number of complaints under Section 138 of the Negotiable Instruments Act, 1881 are pending in the Courts of Metropolitan Magistrates in Delhi in which cognizance had been taken despite the fact that the courts concerned had no authority to entertain them. The Division Bench of the High Court of Delhi relying upon the decisions in *Dwarka Nath vs. ITO*³, and *Air India Statutory Corporation vs. United Labour Union*⁴, held that the Constitution did not place any fetters on the extraordinary jurisdiction exercisable by the High Court in a situation where courts are flooded with complaints which they had no jurisdiction to entertain. The High Court further held that a direction for return of the complaints for presentation before the competent courts was in the circumstances necessary, as Magistrates who had issued the summons were unable to dismiss the complaints suo motu in the light of the decision of the Supreme Court of India in the case of, *Adalat Prasad vs. Rooplal Jindal*⁵. ***The High Court allowed the writ petition with the following directions:***

“Consequently, in exercise of power under Article 226 of the Constitution read with Section 482 of the Code of Criminal Procedure, we direct return to the complainants for presentation in the court of competent jurisdiction all those criminal complaints filed under Section 138 of the NI Act that are pending in courts of Metropolitan Magistrates in Delhi in which cognizance has been taken by them without actually having territorial jurisdiction.”

To assail the order of the *Division Bench of the High Court of Delhi*, appeal was preferred before the *Supreme Court of India (Civil Appeals No. 8468 of 2014 with No.8469 of 2014)* resulting in the adjudication of the present case. The Supreme Court of India upholding the Division Bench judgment of the High Court of Delhi held that, there is no hesitation in holding that the issue of a notice from Delhi or deposit of the cheque in a Delhi Bank by the payee or

³ AIR 1966 SC 81

⁴ (1997) 9 SCC 377

⁵ (2004) 7 SCC 338

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receipt of the notice (*demanding the payment*) by the accused in Delhi would not confer jurisdiction upon the courts in Delhi; what is important is whether the drawee bank which dishonoured the cheque is situated within the jurisdiction of the court taking cognizance.

X.I WHETHER HANDWRITTEN NOTICE WOULD CONSTITUTE A VALID NOTICE UNDER THE PROVISIONS OF SECTION 138 OF THE NEGOTIABLE INSTRUMENTS ACT, 1881?

Pawan Kumar Ralli vs. Maninder Singh Narula,⁶: In this case it was held that a handwritten notice would constitute a valid statutory notice provided it complies with the mandate of Section 138 of the Negotiable Instruments Act, 1881. If the handwritten notice was issued within the mandatory period of 30-days of the dishonour of cheque; details of the transaction ensuing between the drawer and the payee in regards to which cheque was issued by the drawer in favour of the payee are mentioned in the handwritten notice; details of the dishonoured cheque i.e. cheque number, date of issuance of the dishonoured cheque along with particulars of the drawee-bank are mentioned in the handwritten notice; reason for return of the cheque as unpaid (*“amount insufficient”, “refer to drawer”, “stop payment”, “signatures don’t match”*) is mentioned in the handwritten notice; and lastly, if demand for immediate repayment and a caution to initiate legal proceedings on failure to make payment was mentioned; then the handwritten notice can be said to be a valid statutory notice complying with the mandatory requirements of Section 138 of the Negotiable Instruments Act, 1881.

Note: In the case of, ***Central Bank of India & Anr. vs. Saxons Farms & Ors.***⁷, it was held that though no form of notice is prescribed in clause (b) of Section 138 of the Negotiable Instruments Act, 1881, the requirement is that the notice should be given in writing within 15-days (now, 30-days) of receipt of information from the bank regarding return of the cheque as unpaid and in the notice a demand for payment of the amount of the cheque has to be made.

⁶ AIR 2014 SC 3512

⁷ (1999) 8 SCC 221

Title: “The Negotiable Instruments Act, 1881: An Overview”, Authored By: Mr. Akshat Das (LL.M), Chanakya National Law University, Patna, Email Id: theakshat29@gmail.com.

X.II. CO-EXTENSIVE LIABILITY OF GUARANTOR AND PRINCIPAL DEBTOR:

ICDS Ltd. vs. Beena Shabeer⁸: In this case it was held that, the words “any cheque” and “other liability” occurring in Section 138 of the Negotiable Instruments Act, 1881 are the two key expressions which leave no manner of doubt that for whatever reasons it may be, the liability under Section 138 of the Negotiable Instruments Act, 1881 cannot be avoided in the event the cheques stand returned by the banker as unpaid and any contra interpretation would defeat the intent of the legislation (*i.e. the Negotiable Instruments Act, 1881*). The issue as regards the coextensive liability of the guarantor or the principal debtor is totally outside the purview of Section 138 of the Negotiable Instruments Act, 1881. If cheque issued by the guarantor in discharge of legally enforceable debt or other liability of the principal debtor and the cheque gets dishonoured then proceedings under Section 138 of the Negotiable Instruments Act, 1881 can be instituted/ preferred against the guarantor so issuing the cheque in discharge of liability of the principal debtor.

X.III. IF THE CHEQUE GETS DISHONoured BECAUSE THE SIGNATURE ON THE FACE OF THE CHEQUE DO NOT MATCH WITH THAT OF THE SIGNATURE OF THE DRAWER, THEN, CAN THE PROVISIONS OF SECTION 138 OF THE NEGOTIABLE INSTRUMENTS ACT, 1881 BE ATTRACTED?

M/s. Laxmi Dyechem vs. State of Gujarat⁹: In this case the Hon’ble Supreme Court of India held that in case the cheque gets dishonoured because of the fact that the signature on the face of the cheque does not match with the signature of the drawer then a case can be made out by the payee against the drawer of the cheque under Section 138 of the Negotiable Instruments Act, 1881.

⁸ (2002) 6 SCC 426

⁹ MANU/SC/1030/2012