

(vii) Maturity of N.I. (Sec. 22-25) :

(a) Sec. 22: Maturity of a P/N or BoE is date at which it falls due.

P/N or Bill not payable on matures on 3rd day after the day on demand, at sight or presentment which it is expressed to be payable.
(i.e. Time Instruments)

Note: Grace period of 3 days not allowed in case of demand instruments.

(b) Sec. 23 :

- Bills payable at stated no. of terminate on day of the month which corresponds with the day on which instrument is dated.
months after date

Ex: Bill payable 3 Months after date → 15.07.2022 → 18.07.2022
(15.04.2022) (Termination) (Maturity/due)

✓ Bills payable after a stated no. of terminate on day of the month which corresponds with the day on which it is presented for acceptance
months after sight

or

noted for non-acceptance

or

protested for non-acceptance

Ex: Bill drawn on 10.04.2022 - presented for acceptance → 15.07.2022 → 18.07.2022
payable 3 months after sight on 15.04.2022 (Termination) (Maturity)

- Bill payable a stated no. determines on day of the month which corresponds with the day on which the Event happens

Ex. Bill payable 3 months → 22.05.2022 → 22.08.2022 → 25.08.2022
 after delivery of goods (date of delivery (Termination) (Maturity)
 (drawn on 10.05.2022) of goods)

- Bills payable after a stated no. of determines on day of the month which corresponds with the day on which it is accepted.

Ex. Bill payable 3 Months → Not accepted by drawer (Non-acceptance) → Accepted by other party for honour of drawer (18.05.2022) → 18.08.2022 (Termination) → 21.08.2022 (Maturity)
 after sight, drawn on 10.05.2022

Note: If the Month in which the period terminates has no corresponding day, the period terminates on the last day of the month.

Ex: Bill payable 1 Month determines on 30.06.2022 [✓] Maturity → 03.07.2022
 after date, drawn on

- 31.05.2022

- 30.01.2022 → 28.02.2022 → 03.03.2022

→ 29.01.2022 → 28.02.2022 → 03.03.2022

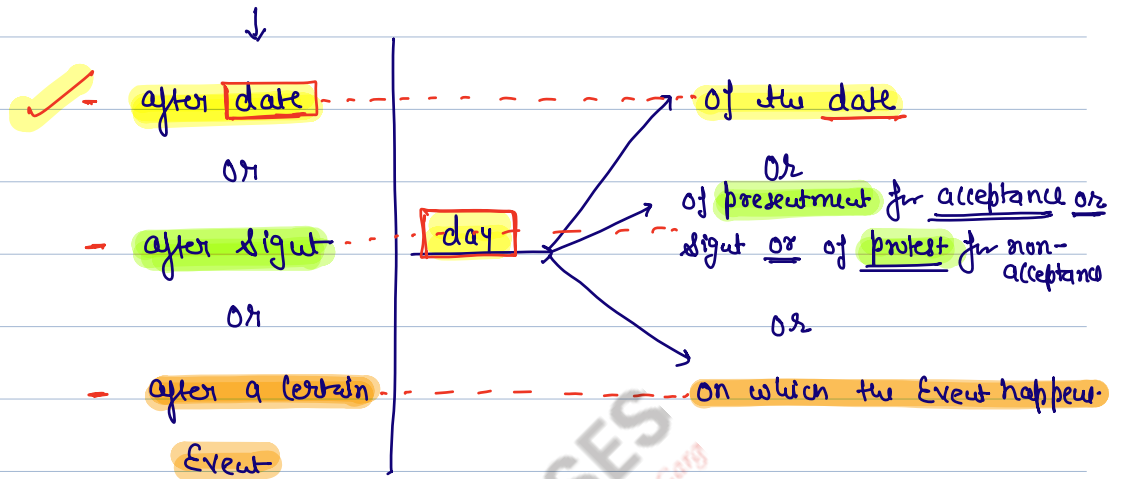
→ 28.01.2022 → 28.02.2022 → 03.03.2022

→ 31.01.2022 → 28.02.2022 → 03.03.2022

→ 01.02.2022 → 01.03.2022 → 04.03.2022

(c) Sec. 24:

While calculating maturity date of PN or BoE, payable at certain no. of days



Shall be excluded.

Ex: Bill payable 50 days → 30.05.2022 (termination) → 02.06.2022
after date - (drawn on 10.04.2022) (20 + 30)

(d) Sec. 25: If the day on which a PN or BoE is at maturity is a public holiday.



The instrument shall be deemed to be due on the next preceding business day.

Ex: Bill payable 100 days 05.05.2022 $\xrightarrow{(100 \text{ days})}$ 12.08.2022
after sight $\frac{27+30+31}{+12}$ (termination)

- drawn on 18.04.2022 ↓ 3 days

- presented on 04.05.2022 ← 14.08.2022 ← 15.08.2022 (Maturity - Public Holiday)
(due date)

(viii) Negotiation of N.I.: (Sec. 14, Secs. 46-48)

Sec. 14: When a P/N, BoE or cheque is transferred to any person, so as to constitute that person, the holder thereof, the instrument is said to be negotiated.

Negotiation may be by mere delivery or by Indorsement and delivery.
(Order Instrument) (Bearer Instrument)

✓ Sec. 46: (a) To give effect to negotiation, delivery of an instrument is essential whether the instrument is payable to bearer or order.

(b) Delivery must be voluntary.

(c) Delivery can be actual or constructive.

(d) Contract on a negotiable instrument is incomplete and revocable until delivery remains.

Sec. 47: Subject to provisions of Sec. 58, a P/N, BoE or cheque, payable to bearer, is negotiable by delivery thereof.

Sec. 48: Subject to provisions of Sec. 58, a P/N, BoE or cheque payable to order, is negotiable by the holder by Indorsement and delivery.

H.w.: Complete Revision and written practice of 2 Questions.



(ix) Indorsement of Negotiable Instruments (Sec. 15)

Sec. 15: An instrument is said to be indorsed, when the maker or holder of a N.I. -

- signs the same for the purpose of negotiation on the

(a) back, or

(b) face thereof or

(c) on a slip of paper annexed thereto,

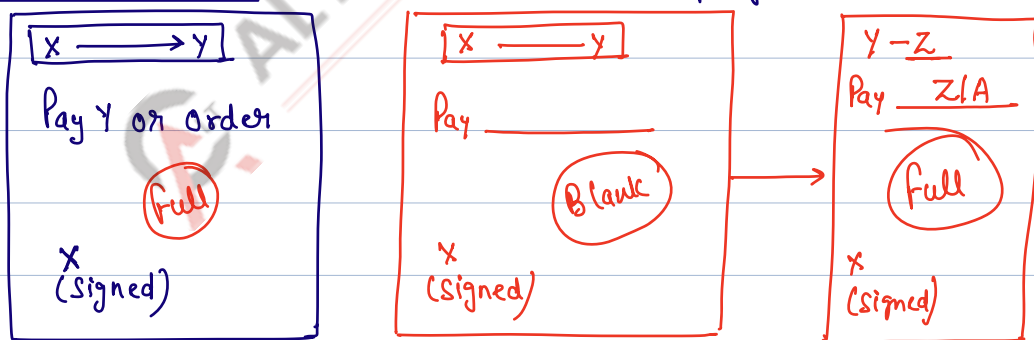
or

- so signs for the same purpose, a stamped paper intended to be completed as a N.I.

Types of Indorsement:

(i) Indorsement in Full: Indorsee name is specified.

(ii) Indorsement in Blank: Indorsee name is not specified.



Conversion of Blank Indorsement in Full: by specifying the name of indorsee (Self or other person)

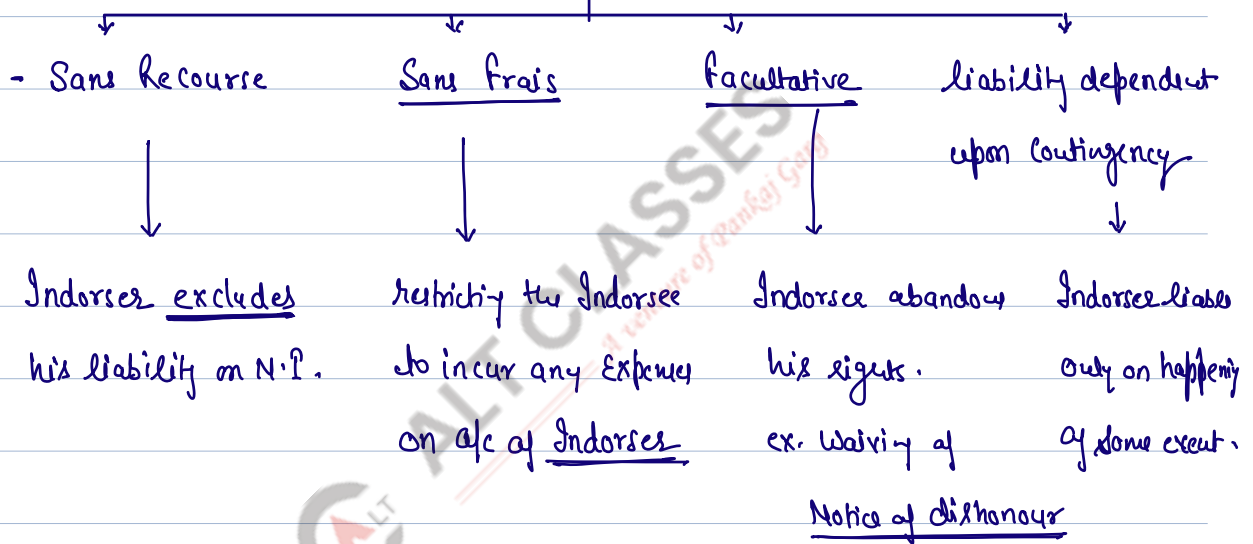
(iii) Partial Indorsement: Indorsement for a part of amount of the instrument.

As per Sec. 56, such indorsements are invalid in eyes of law.

(iv) Restrictive Indorsement: Indorsement that restricts further negotiability of N.I.

Ex. Pay the amount to 'A' only
Pay 'A' for my use.

(v) Conditional Indorsement (Sec. 52): Indorsement with some conditions, altering / restricting rights of indorsee.



Other provisions related to Indorsement: Self study from book.

H.w.: [Study of other provisions of Indorsement from book]