

THE NEGOTIABLE INSTRUMENTS ACT

(XXVI OF 1881)

Preamble:-

CHAPTER 1 PRELIMINARY

1.	Short title:	
	Local extent;	
	Saving of usages relating to hundis, etc;	
	Commencement:-	
1-A	Application of the Act.	
2	[Repeal of enactments] Rep. by the Amending Act, 1891 (XII of 1891).	
3.	Interpretation Clause	
	CHAPTER II	
	OF NOTES BILLS AND CHEQUES	
4.	Promissory Note.	
5.	Bills of Exchange.	
6.	Cheque	
7.	Drawer, Drawee.	
	Drawee in case of need.	
	Acceptor.	
	Acceptor for honour.	
	Payee	
8.	Holder.	
9.	Holder in due course.	
10.	Payment in due course.	
11.	Inland Instrument.	
12.	Foreign instrument.	
13.	Negotiable Instrument.	
14.	Negotiation.	
15.	Indorsement.	
16.	Indorsement in blank and in full "Indorsee"	
17.	Ambiguous instrument.	
18.	Where amount is stated differently in figures and words.	
19.	Instruments payable on demand.	
20.	Inchoate stamped instruments.	
21.	"At sight" "On presentment", "After sight"	
21-A	When note or bill payable on demand is overdue.	
21-B	A note or bill payable at a determinable future time.	
21-C	Anti-dating and post dating.	
22	Maturity.	
	Days of grace.	
23.	Calculating maturity of bill or note payable so many months after date	

	or sight.	
24.	Calculating maturity of bill or note payable so many days after date or sight.	
25.	When day of maturity is a holiday.	
	CHAPTER III	
	PARTIES TO NOTES, BILLS AND CHEQUES	
26.	Capacity to make, etc, Promissory Notes, etc.	
	Minor.	
27.	Agency.	
27-A	Authority of partners.	
28.	Liability of agent signing.	
28-A	Transferor by delivery and transferee.	
29.	Liability of legal representative signing.	
29-A	Signature essential to liability.	
29-B.	Forged or unauthorized signature.	
29-C	Stranger signing instrument presumed to be indorser.	
30.	Liability of drawer	
31.	Liability of drawee of cheque.	
32.	Liability of maker of note and acceptor of bill.	
33.	Only drawee can be acceptor except in need or for honour.	
34.	Acceptance by several drawees not partners.	
35.	Liability of indorser.	
36.	Liability of prior parties to holder in due course.	
37.	Maker, drawer and acceptor principals.	
38.	Prior party a principal in respect of each subsequent party.	
39.	Suretyship.	
40.	Discharge of indorser's liability.	
41.	Acceptor bound although indorsement forged.	
42.	Acceptance of bill drawn in fictitious name.	
43.	Negotiable Instrument made etc., without consideration.	
44.	Partial absence or failure of money consideration.	
45.	Partial failure of consideration not consisting of money.	
45-A.	Holder's right to duplicate of lost bill.	
	CHAPTER IV	
	OF NEGOTIATION	
46.	Delivery	
47.	Negotiation by delivery.	
48.	Negotiation by indorsement.	
49.	conversion of indorsement in blank into indorsement in full.	
50.	Effect of indorsement	
51.	Who may negotiate.	
52.	Indorser who excludes his own liability or makes it conditional.	
53.	Holder claiming through holder in due course.	
53-A	Rights of holder in due course.	

54.	Instrument indorsed in blank.	
55.	Conversion of indorsement in blank into indorsement in full.	
56.	Requisites of indorsement.	
57.	Legal representative cannot by delivery only Negotiable Instrument indorsed by deceased.	
57-A.	Negotiable of Instrument to party already liable thereon.	
57-B.	Rights of holder.	
58.	Defective title.	
59.	Instrument acquired after dishonour or when overdue.	
60.	Instrument negotiable till payment or satisfaction.	
CHAPTER V		
OF PRESENTMENT		
61.	Presentment for acceptance.	
62.	Presentment of Promissory Note for sight.	
63.	Drawee's time for deliberation.	
64.	Presentment for payment.	
65.	Hours for presentment.	
66.	Presentment for payment of instrument payable after date or sight.	
67.	Presentment for payment of Promissory Note payable by instruments.	
68.	Presentment for payment of instrument payable at specified place and not elsewhere.	
69.	Instrument payable at specified place.	
70.	Presentment where no exclusive place specified.	
71.	Presentment when maker, etc., has no known place of business or residence.	
71-A	What constitutes valid presentment and mode of presentment.	
72.	Presentment of cheque to charge drawer.	
73.	Presentment of cheque to charge any other person.	
74.	Presentment of instrument payable on demand.	
75.	Presentment by or to agent, representative of deceased or assignee of insolvent.	
75-A	Excuse for delay in present for acceptance or payment.	
76.	When presentment unnecessary.	
77.	Liability of banker for negligently dealing with bill presented for payment.	
CHAPTER VI		
OF PAYMENT AND INTEREST		
78.	To when payment should be made.	
79.	Interest when rate specified or not specified.	
80.	Interest when no rate specified.	
81.	Delivery of instrument on payment, or indemnity in case of loss.	

CHAPTER VII		
OF DISCHARGE FROM LIABILITY ON NOTES, BILLS AND CHEQUES.		
82.	Discharge from liability by cancellation	
83.	Discharge by allowing drawee more than forty eight hours to accept.	
84.	When cheque not duly presented and drawer damaged thereby.	
85.	Cheque payable to order.	
85-A	Drafts drawn by one branch of a bank on another payable to order.	
86	Parties not consenting discharged and qualified or limited acceptance.	
87.	Effect of material alteration.	
	Alteration by indorsee:	
88	Acceptor or indorser bound notwithstanding previous alteration.	
89	Payment of instrument on which alteration in not apparent.	
90	Extinguishment of rights of action on bill in acceptor's hands.	
CHAPTER VIII		
OF NOTICE OF DISHONOUR		
91.	Dishonour by on acceptance.	
92.	Dishonour by non payment.	
93.	By and to whom notice should be given.	
94.	Mode in which notice may be given.	
95.	Party receiving must transmit notice of dishonour.	
96.	Agent for presentment.	
97	When party to whom notice given id dead.	
98.	When notice of dishonour is unnecessary.	
CHAPTER IX		
OF NOTING AND PROTEST		
99.	Noting.	
100.	Protest.	
101	Contents of protest.	
102.	Notice of protest.	
103.	Protest for non payment after dishonour by non acceptance.	
104	Protest of foreign bills.	
104-A	When noting equivalent to protest.	
CHAPTER X		
OF REASONABLE TIME		
105	Reasonable time.	
106	Reasonable Time of giving notice of dishonour.	
107	Reasonable time for transmitting such notice.	

CHAPTER XI		
OF ACCEPTANCE AND PAYMENT FOR HONOUR		
AND REFERENCE IN CASE OF NEED.		
108	Acceptance and payment for honour	
109.	How acceptance for honour must be made.	
110.	Acceptance not specifying for whose honour it is made.	
111.	Liability of acceptor for honour.	
112.	When acceptor for honour may be charged.	
113.	Payment for honour.	
114.	Right of payer for honour.	
115.	Drawee in case of need.	
116.	Acceptance and pament without protest.	
CHAPTER XII		
OF COMPENSATION		
117	Rules as to compensation.	
CHAPTER XIII		
SPECIAL RULES OF EVIDENCE.		
118	Presumptions as to Negotiable Instrument of consideration.	
119.	Presumption on proof of protest.	
120.	Estoppel against denying original validity of instrument.	
121.	Estoppel against denying capacity of payee to indorse.	
122.	Estoppel against denying signature or capacity of prior party.	
CHAPTER XIV		
SPECIAL PROVISIONS RELATING TO CHEQUES.		
122-A	Revocation of banker's authority.	
123	Cheque crossed generally.	
123-A	Cheque crossed "account payee"	
124.	Cheque crossed specially.	
125.	Crossing after issue.	
125-A	Crossing a material part of a cheque.	
126.	Payment of cheque crossed generally.	
	Payment of cheque crossed specially	
127	Payment of cheque crossed specially more than once.	
128	Payment in due course of crossed cheque.	
129	Payment of crossed cheque out of due course.	
130.	Cheque bearing "no negotiable".	
131	Non liability of banker receiving payment of cheque.	
131 A	Application of Chapter to drafts.	
131-B	Protection to banker crediting cheque crossed "account payee"	
131-C	Cheque not operating as assignment of funds.	

CHAPTER XV		
SPECIAL PROVISIONS RELATING TO BILL OF EXCHANGE.		
131-D	Several drawees.	
131-E	In whose favour a bill may be drawn.	
131-F.	When presentment for acceptance is necessary.	
131-G	When presentment excused:	
131-H.	Holder's right of recourse against drawer and indorser.	
131-I.	Holder may reuse qualified acceptance.	
132	Set of bills	
133	Holder of first acquired part entitled to all.	
CHAPTER XVI		
OF INTERNATIONAL LAW		
134	Law governing liability of parties of a foreign instrument.	
135	omitted.	
136	Instrument made, etc., outside Pakistan etc., but in accordance with their law.	
137	Presumption as to foreign law.	
CHAPTER XVII		
NOTARIES PUBLIC		
138	Power To Appoint Notaries Public.	
139	Power to make rules for notaries public.	