

What are the privileges of holder in due course under the Negotiable Instruments Act, 1881

A holder in due course is a person who receives a negotiable instrument in good faith, for valuable consideration, before it becomes due and without any notice of defects or problems with the instrument.

The Negotiable Instruments Act, 1881 provides several privileges to holders in due course, including:

1. Right to sue: A holder in due course can sue on the negotiable instrument in their own name, regardless of any defects or disputes between prior parties. This means that the holder can enforce payment of the instrument against all parties liable to pay, including the maker or drawer of the instrument.
2. Protection against defenses: A holder in due course is not subject to any defenses that may be raised against prior parties to the instrument, such as fraud, duress, or lack of consideration. This protects the holder from any claims or defenses that may arise from previous transactions involving the instrument.
3. Right to enforce payment: A holder in due course has the right to enforce payment of the instrument against all parties liable to pay, even if the instrument is overdue or has been dishonored. This means that the holder can take legal action to collect payment from the parties responsible for paying the instrument.
4. Priority over conflicting claims: If there are conflicting claims to the negotiable instrument, a holder in due course has priority over any other claimants. This means that the holder's claim to the instrument takes precedence over any other claims or disputes involving the instrument.

What are the privileges of holder in due course under the Negotiable Instruments Act, 1881