

# PROMISSORY NOTE

- A PROMISSORY NOTE IS DEFINED AS AN INSTRUMENT IN WRITING (NOT BEING A BANK NOTE OR A CURRENCY NOTE)
- CONTAINS 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.

# CHARACTERISTICS

- A PROMISSORY NOTE SHOULD BE IN WRITTEN FORM, DULY SIGNED BY ITS MAKER OR DRAWER AND
- DULY STAMPED AS PER THE INDIAN STAMP ACT.
- IT MUST CONTAIN AN UNDERTAKING OR PROMISE TO PAY THE AMOUNTED MENTIONED THEREIN.
- A PROMISSORY NOTE MUST BE CONTAINING AN UNCONDITIONAL PROMISE TO PAY.
- IT MUST CONTAIN A CONSIDERATION IN MONETARY TERMS ONLY.
- THE PARTIES MUST BE CERTAIN.
- A PROMISSORY NOTE SHOULD BE PAYABLE EITHER ON DEMAND OR AT A CERTAIN DATE.
- THE SUM PAYABLE MENTIONED THERE IN THE PROMISSORY NOTE MUST BE CERTAIN OR CAPABLE OF BEING MADE CERTAIN.

# PARTIES

- TWO PARTIES INVOLVED IN A PROMISSORY NOTE:

. THE MAKER OR DRAWER – THE PERSON WHO PREPARES THE NOTE AND PROMISES TO PAY THE AMOUNT MENTIONED THEREIN.

. THE PAYEE – THE PERSON TO WHOM THE AMOUNT IS PAYABLE.

# SPECIMEN OF A PROMISSORY NOTE

Stamp

Rs5000/-

LUCKNOW  
May 15, 2020

On demand, I promise to pay Mr X, or his order a sum of Rs. 5,000/- (Rupees Five Thousand only), for value received.

To, Mr X  
Address.....

Sd/ Mr Y