

The his name to
some other person;



**ASSIGN
BUSTER**

The term Accommodation bill has not been defined in the Limitation Act and the Negotiable Instruments Act. But the proviso to Section 59 of the Negotiable Instruments Act refers to it as bill “ drawn or accepted without consideration, for the purpose of enabling some party thereto, to raise money there from.” In Wharton’s Law Lexicon, ‘ an accommodation bill’ is defined as one which the accommodating party has signed as drawer, acceptor or endorser, without receiving value therefore and for the purpose of lending his name to some other person; he is liable on the bill to a holder for value; and it is immaterial whether when such holder took the bill he knew such party to be an accommodating party or not. The accommodating party has a right to be indemnified by the party to whom he lent his name. Time of Limitation runs only when the acceptor actually pays the amount of the bill, in *Angrove v. Tippet*, [(1865) 11 LT 708] it has been held that the acceptor of an accommodation bill of exchange has an implied engagement from the drawer that he will take up the bill at maturity and indemnify the acceptor; and there is no cause of action till the acceptor is damnified by actual payment.