

(2) An instrument in the form of a note payable to maker's order is not a note within the meaning of this section, unless and until it is indorsed by the maker.

(3) A note is not invalid by reason only that it contains also a pledge of collateral security with authority to sell or dispose thereof.

(4) A note which is, or on the face of it purports to be, both made and payable within Sri Lanka is an inland note. Any other note is a foreign note.

Delivery
necessary.

86. A promissory note is inchoate and incomplete until delivery thereof to the payee or bearer.

Joint and
several notes.

87. (1) A promissory note may be made by two or more makers, and they may be liable thereon jointly, or jointly and severally, according to its tenor.

(2) Where a note runs " I promise to pay " and is signed by two or more persons, it is deemed to be their joint and several note.

Note payable
on demand.

88. (1) Where a note payable on demand has been indorsed, it must be presented for payment within a reasonable time of the indorsement. If it be not so presented the indorser is discharged.

(2) In determining what is a reasonable time, regard shall be had to the nature of the instrument, the usage of trade, and the facts of the particular case.

(3) Where a note payable on demand is negotiated, it is not deemed to be overdue, for the purpose of affecting the holder with defects of title of which he had no notice, by reason that it appears that a reasonable time for presenting it for payment has elapsed since its issue.

Presentment of
note for
payment to
render maker
liable.

89. (1) Where a promissory note is in the body of it made payable at a particular place, it must be presented for payment at that place in order to render the maker liable. In any other case, presentment for payment is not necessary in order to render the maker liable.

(2) Presentment for payment is necessary in order to render the indorser of a note liable.

(3) Where a note is in the body of it made payable at a particular place, presentment at that place is necessary in order to render an indorser liable; but when a place of payment is indicated by way of memorandum only, presentment at that place is sufficient to render the indorser liable, but a presentment to the maker elsewhere, if sufficient in other respects, shall also suffice.

90. The maker of a promissory note by making it— Liability of
maker-

(a) engages that he will pay it according to its tenor;

(b) is precluded from denying to a holder in due course the existence of the payee and his then capacity to indorse.

91. (1) Subject to the provisions in this Part. and except as by this section provided, the provisions of this Ordinance relating to bills of exchange apply, with the necessary modifications, to promissory notes. Application of
part II to
notes

(2) In applying those provisions the maker of a note shall be deemed to correspond with the acceptor of a bill, and the first indorser of a note shall be deemed to correspond with the drawer of an accepted bill payable to drawer's order.

(3) The following provisions as to bills do not apply to notes, namely, provisions relating to—

(a) presentment for acceptance;

(b) acceptance;

•(c) acceptance supra protest;

(d) bills in a set.

(4) Where a foreign note is dishonoured, protest thereof is unnecessary.

PART V

SUPPLEMENTARY

Good faith.

92. A thing is deemed to be done in good faith within the meaning of this Ordinance, where it is in fact done honestly, whether it is done negligently or not.

Signature.

93. (1) Where, by this Ordinance, any instrument or writing is required to be signed by any person, it is not necessary that he should sign it with his own hand, but it is sufficient if his signature is written thereon by some other person by or under his authority.

(2) In the case of a corporation, where, by this Ordinance, any instrument or writing is required to be signed, it is sufficient if the instrument or writing be sealed with the corporate seal.

But nothing in this section shall be construed as requiring the bill or note of a corporation to be under seal.

Computation of time.

94. Where, by this Ordinance, the time limited for doing any act or thing is less than three days, in reckoning time, non-business days are excluded.

" Non-business days " for the purposes of this Ordinance mean—

- (a) a bank holiday;
- (b) a day appointed to be a public holiday by or under any law for the time being in force.

Any other day is a business day.

When noting equivalent to protest.

95. For the purposes of this Ordinance, where a bill or note is required to be protested within a specified time or before some further proceeding is taken, it is sufficient that the bill has been noted for protest before the expiration of the specified time or the taking of the proceeding; and the formal protest may be extended at any time thereafter as of the date of the noting.

96. Where a dishonoured bill or note is authorized or required to be protested, and the services of a notary cannot be obtained at the place where the bill is dishonoured, any householder or substantial resident of the place may, in the presence of two witnesses, give a certificate, signed by them, attesting the dishonour of the bill, and the certificate shall in all respects operate as if it were a formal protest of the bill.

Protest when notary not accessible.

The form given in the Schedule to this Ordinance may be used with necessary modifications, and if used shall be sufficient.

97. The provisions of this Ordinance as to crossed cheques shall apply to a warrant for payment of dividend.

Dividend warrants may be crossed.

98. (1) The rules in insolvency or Savings. bankruptcy relating to bills of exchange, promissory notes, and cheques shall continue to apply thereto, notwithstanding anything in this Ordinance contained.

(2) The rules of the common law of England, including the law merchant, save in so far as they are inconsistent with the express provisions of this Ordinance, or any other enactment for the time being in force, shall apply to bills of exchange, promissory notes, and cheques.

(3) Nothing in this Ordinance or in any repeal effected thereby shall affect—

- (a) any law or enactment for the time being in force relating to stamps or the revenue;
- (b) the provisions of the Companies Ordinance,* or enactments amending it, or any enactment relating to joint stock banks or companies;
- (c) the provisions relating to promissory notes contained in the Money Lending Ordinance;
- (d) the validity of any usage relating to dividend warrants or the indorsement thereof.

* Repealed and replaced by the Companies Act, No. 17 of 1982.