OF NOTICE OF D1SHONOUR

91. Dishonour by non-acceptance.---A bill of exchange, is said to be

dishonoured by non-acceptance when the drawee or one of several,

drawees not being partners, makes default in acceptance upon being duly

required to accept the bill, or where presentment is excused and the bill is

not accepted.

Where the drawee is incompetent to contract, or the acceptance is qualified, the

bill may be treated as dishonoured.

92. Dishonour by non-payment. --- A promissory note, bill of exchange or

cheque is said to be dishonoured by non-payment when the maker of the

note, acceptor of the bill or drawee of the cheque makes default in

payment upon being duly required to pay the same.

93. By and to whom notice should be given.---When a promissory note, bill or

exchange of cheque is dishonoured by non-acceptance or non-payment,

the holder thereof; or some party thereto who remains liable thereon,

must give notice that the instrument has been so dishonoured to all other

parties to whom the holder seeks to make severally liable thereon, and to

some one of several parties whom he seeks to make jointly. liable thereon.

When a bill of exchange is dishonoured by non-acceptance the drawer or

any endorser to whom such notice is not given is discharged; hut the

rights of a holder in due course subsequent to the omission to give notice

shall not be prejudiced by that omission.

When a bill of exchange is dishonoured by non-acceptance and due notice

of dishonour is given, it shall not be necessary to give notice of a

subsequent dishonour by non-payment, unless the bill shall, in the

meantime, have been accepted.

Nothing in this section renders it necessary to give notice to the maker of

the dishonoured promissory note or the drawee. or acceptor of the

dishonoured bill exchange or cheque.

94. Mode in which notice may be given.---Notice of dishonour may be given

to a duly authorized agent of the person to whom it is required to be

given, or, where he has died, or his legal representative, or, where he had

been declared an insolvent, to his assignee; may be oral or written; may if

written, be sent by post; and may be in any form; but it must inform the

party to whom it is given, either in express terms or by reasonable

intendment, that the instrument has been dishonoured, and in what way,

and that he will be held liable thereon, and it must be given within a

reasonable time after dishonour, at the place of. business or (in case such,

party has no place of business) at the residence of the party for whom it is

intended.

If the notice is duly directed and sent by post and miscarries, such miscarriage

does not render the notice invalid.

95. Party receiving must transmit notice of dishonour.-- Any party receiving

notice of dishonour in order to render any prior party liable to himself,

give notice of dishonour to such party within a reasonable time, unless

such party otherwise receives due notice as provided by section 93.

96. Agent for presentment.---When the, instrument is deposited with an agent

for presentment, the agent is entitled to the same time to give notice to

him principal as if he were the holder giving notice of dishonour, and the

principal is entitled to a further like period to give notice of dishonour.

97. When party to whom notice given is dead.---When the party to whom

notice of dishonour is despatched is dead, but the party despatching the

notice is ignorant, of his death, the notice is sufficient.

98. When notice of dishonour is unnecessary.---No notice of dishonour is

necessary--

(a) when it is dispensed with by the party entitled thereto;

(b) in order to charge the drawer when he has countermanded

payment,

(c) when the party charged could not suffer damage for want of notice.

(d) when the party entitled to notice cannot after due search be found;

or the party bound to give notice is, for any other reason, unable

without any fault of his own to give it;

(e) to charge the drawers when the acceptor is also a drawer;

(f) in the case of a promissory note which is not negotiable;

(g) when the party entitled to notice, knowing the facts, promises

unconditionally to pay the amount due on the instrument.

CHAPTER IX

OF NOTING AND PROTEST

99. Noting.---When a promissory note or bill of exchange has been

dishonoured by non-acceptance or non-payment, the holder may cause

such dishonour to be noted by a notary public upon the instrument, or

upon a paper attached thereto, or partly upon each.

Such note must be made within a reasonable time after dishonour, and

must specify the date of dishonour, the reason, if any, assigned for such

dishonour, or, if the instrument has to been expressly dishonoured, the

reason why the holder treats it as dishonoured, and the notary's charges;

100. Protest. When a promissory note or bill of exchange has been dishonoured

by non-acceptance or non-payment, the holder within a reasonable time,

cause such dishonour to be noticed and certified by a notary public. Such

certificate is called a protest.

Protest for better security.

When the acceptor of a bill of exchange has become insolvent, or his credit

has been publicly impeached, before the maturity of the bill, the holder

may, within a reasonable time, cause a notary public to demand better

security of the acceptor, and on its being refused may, within a reasonable

time, cause such facts to be noted and certified as aforesaid. Such

certificate is called a protest for better security.

101. Contents of protest.---A protest under 100 must contain--

(a) either the instrument itself, or a literal transcript of the instrument

and of everything written or printed thereupon;

(b) the name of the person for whom and against whom the instrument

has been protested;

(c) a statement that payment or acceptance or better security, as the

case may be, has been demanded of such person by the notary

public; the term of his answer; if any, or a statement that he gave no

answer or that he could not be found;

(d) when the note or bill has been dishonoured, the place and time of

dishonour, and, when better security has been refused, the place

and time of refusal;

(e) the subscription of the notary public making the protest;

(f) in the event of an acceptance for honour or of a payment for

honour, the name of the person by whom, of the person for whom,

and the manner in which, such acceptance or payment was offered

and effected

102. Notice of protest ---When a promissory note or bill of exchange is required

by law to be protested, notice of such protest must be given instead of

notice of dishonour, in the same manner and subject to the same

conditions; but the notice may be given by the notary public who makes

the protest.

103. Protest for non-payment after dishonour by non-acceptance: All bills of

exchange drawn payable at some other place than the place mentioned as

the residence of the drawer, and which are dishonoured by nonacceptance, may, without further presentment to the drawee, be protested

for non-payment in the place. specified for payment, unless paid before or

at maturity.

104. Protest of foreign bills.--- Foreign bills of exchange must be protested from

dishonour when such protest is required by the law of the place where

they are drawn.

104A. When noting equivalent to protest.---For the purposes of this Act, where a

bill or note is required to be protested within a specified time or before

some further proceedings 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.