

## Chapter 18 Noting and Protesting

- When a promissory note or bill of exchange has been dishonoured due to non acceptance or non payment, the holder of such instrument may cause such dishonour to be noted by notary public which is called as “Noting”
- Noting must be made within reasonable time after dishonour. Noting not necessary for cheques and optional for inland bills.
- Advantages of Noting -
  - Wherever protest within particular time is compulsory under law, it is sufficient if at least noting has been made within such time
  - A bill of exchange may be accepted for honour after it has been noted
  - A bill of exchange may be paid for honour after it has been noted
- When promissory note or bill of exchange has been dishonoured due to non acceptance or non payment the holder may within reasonable time cause such dishonour noted and certified by notary public such certificate is called as “Protest’
- Contents of Protest -
  - The instrument or literal transcript
  - Name of the parties – name of the persons for whom & against whom instrument has been protested
  - Statement that payment or acceptance has been demanded by notary public & answer received or statement that no answer received or that maker, drawer, acceptor could not be found
  - Place & time of dishonour
  - Signature of notary
- When acceptor of bill of exchange has become insolvent or his credit has been publicly impeached before the maturity of the bill the holder within reasonable time cause notary public to demand better security & on its refusal may within reasonable time cause such facts to be noted and certified.