

1957 *Present : Basnayake, C.J., and Pulle, J.*

BADURDEEN, Appellant, *and* ALAGIRISAMY and others, Respondents

S. C. 412—D. C. Colombo, 13,900

Cheques—Indorsement—Validity of signature by initials—Bills of Exchange Ordinance, s. 32 (1).

A person may validly indorse a cheque by placing his initials thereon. There is nothing in the context of section 32 of the Bills of Exchange Ordinance that excludes signature by initials.

APPPEAL from a judgment of the District Court, Colombo.

G. Renganathan, for 5th Defendant-Appellant.

E. R. S. R. Coomaraswamy, with *B. A. R. Candappa*, for Plaintiff-Respondent.

February 15, 1957. BASNAYAKE, C.J.—

This is an action by the plaintiffs carrying on business under the name of A. L. R. M. Alagirisamy Pillai against the six defendants for the recovery of two sums of money of Rs. 3,000 and Rs. 3,300 payable on two cheques drawn in favour of the 3rd defendant by the Firm of A. E. M.

¹ (1956) 58 N. L. R. 56.

² (1958) 59 N. L. R. 402.

Sulaiman Bros. of which the 1st and 2nd defendants are partners. The action was contested by the 4th, 5th, and 6th defendants who are trading under the name of The Ceylon Produce Trading Agency. It would appear that the plaintiffs sold a consignment of tea to the 4th, 5th, and 6th defendants. In payment for it the 5th defendant brought to the Kanakapulle of the plaintiffs two cheques drawn by the 1st and 2nd defendants in favour of the 3rd defendant.

The Kanakapulle requested the 5th defendant to sign each of them below the endorsement of the 3rd defendant in whose favour they were drawn. The 5th defendant thereupon initialled them. Not satisfied with his initials alone the Kanakapulle asked the 5th defendant to write the Company's name. He then placed below his own initials the letters "C. P. T. A." in English. These letters represented the initial letters of the name of his firm. Even this did not satisfy the plaintiff's manager (Mudalali) and the 5th defendant was asked to place the seal of the Firm on them. Thereupon the 5th defendant took the cheques to his place of business and brought them back with a rubber stamp bearing the words "The Ceylon Produce Trading Agency", affixed to them below the letters "C. P. T. A."

The 5th defendant's evidence is that he did not intend to endorse the cheque but that he was required by the plaintiffs' firm to put his initials as a witness to the signature of the payee. His evidence has been rejected and the plaintiffs' evidence has been accepted. The only question which remains for decision is whether the learned trial Judge is right in holding that the initials placed on the cheque by the 5th defendant satisfy the requirements of section 32 of the Bills of Exchange Ordinance which provides:—

"An endorsement in order to operate as a negotiation must comply with the following conditions, namely:—

- (1) it must be written on the bill itself and be signed by the indorser.
The simple signature of the indorser on the bill, without additional words, is sufficient.
- (2) "

Learned counsel for the 5th defendant strenuously argued that the initials of a person do not constitute his signature. In the instant case it is quite clear and it is admitted that the 5th defendant placed his initials on the back of the cheques. He claims that he did so only for the purpose of authenticating the signature of the payee and not as an endorsee of the cheque. But the learned District Judge has rejected his explanation and held that he did so as an endorsee.

There is nothing in the context of section 32 of the Bills of Exchange Ordinance that excludes signature by initials and we are of the opinion that an endorsement written on a bill and signed by the endorsee with his initials is a good endorsement for the purpose of that provision. The word 'sign' is from the Latin *signum*, and means a mark. A signature is the name or special mark placed on a document by a person or by his authorised agent either with his own hand or with the hand of such agent or with any artificial aid or mechanical device with the

intention of authenticating a document as being that of, or as binding on, the person whose name or mark is so placed. Signature does not, necessarily, mean writing a person's forename and surname in full. The signature of a person on a document by placing thereon the initial letters of his names or name is a good signature. This mode of signature is not uncommon among the Indian business community in Ceylon especially the South Indian.

For the above reasons we affirm the finding of the learned trial Judge and dismiss the appeal with costs.

PULLE, J.—I agree.

Appeal dismissed.
