

1966

Present : Sansoni, C.J.

SEYED MOHAMED, Appellant, and M. IBRAHIM, Respondent

S. C. 10/66—C. R. Colombo, 87843

Cheque—Effect of crossing it with words “ Not Negotiable ”—Bills of Exchange Ordinance (Cap. 82), s. 81.

When a crossed cheque which bears on it the words “ Not Negotiable ” is lost, any person who takes that cheque thereafter has no title to it and cannot pass title to it.

APPPEAL from a judgment of the Court of Requests, Colombo.

J. W. Subasinghe, for the Defendant-Appellant.

V. Arulambalam, for the Plaintiff-Respondent.

Cur. adv. vult.

October 29, 1966. SANSONI, C.J.—

The judgment under appeal cannot stand because the Commissioner of Requests has ignored the provisions of section 81 of the Bills of Exchange Ordinance (Cap. 82).

He has accepted the evidence of the first defendant's witness Maharroof, who said that he lost the cheque in question. That cheque is crossed and bears on it the words "Not Negotiable". Consequently, any person who took that cheque after it was lost had no title to it. Therefore, the person who endorsed the cheque to the plaintiff had no right to endorse it or to negotiate it in any way. The plaintiff got no title to it, and had no right to sue the first defendant on it.

The plaintiff is certainly not a holder in due course as the Commissioner seems to have thought.

I set aside the judgment and decree and dismiss the plaintiff's action against the first defendant with costs in both courts.

Appeal allowed.

