

Ramachandra and ors. Vs. Sesha

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Court : Chennai

Decided On : Apr-27-1893

Reported in : (1894)ILR17Mad86

Judge : Muttusami Ayyar and ;Best, JJ.

Appellant : Ramachandra and ors.

Respondent : Sesha

Judgement :

1. It is urged on petitioners' behalf that the document sued upon is not a negotiable instrument but an instrument of pledge. It is in these terms: 'On deposit of title-deeds I promise to pay you or order Rs. 160 for value received.' The words 'or order, 'show that the intention was that the promissory note should circulate from hand to hand, and the question therefore is, whether the terms ' on deposit of title-deeds ' control its operation and restrain its negotiability. Deposit of title-deeds as a collateral security does not make a promissory note the less a negotiable instrument, and it was so held in *Wise v. Charlton* 4 Ad. & E. 790 Do the words 'on deposit of title-deeds,' import in the case before us more than that a collateral security is also given, or in any way restrain the operation of the promissory note as a negotiable instrument? We do not think an allusion to the mere deposit of title-deeds makes the payment contingent or otherwise qualifies the operation of the document as a negotiable instrument. In our opinion it is not material whether the words occur in the same sentence which expresses the promise, as in this

case, or in an additional sentence as in *Wise v. Charlton* 4 Ad. & E. 790 The language of the instrument in its plain ordinary sense only signifies that a loan was made and that title-deeds were deposited as a collateral security, and there is nothing to show that the intention was to qualify the operation of the note as a negotiable instrument or to regard the pledge as the primary transaction and the promissory note only as a further security. This is the only point argued, and we dismiss this petition with costs.

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