Chapter XIV - Of Crossed Cheque

Chapter in 2 minutes

- Read the crossing and account-payee controls, trace collecting/drawee bank conduct and preserve due-care evidence.
- Primary control: bank duty gate.
- Match crossing, payee account, collection and good-faith/negligence controls.
- Apply the exact current section text, amendment history and transaction evidence together.
- Do not confuse a negotiable instrument remedy with automatic proof of the underlying transaction.

Execution gates

- Legally enforceable transaction
- Instrument classification and stamp
- Authority/mandate and custody
- Presentation, return and notice clocks
- Evidence, forum and entity liability
- Settlement, accounting and retention

Provision/control map

Provision	Subject	Control
Section 123	Cheque crossed generally.	Match crossing, account, authority, due course, negligence and return reason.
Section 124	Cheque crossed specially.	Match crossing, account, authority, due course, negligence and return reason.
Section 125	Crossing after issue.	Match crossing, account, authority, due course, negligence and return reason.
Section 126	Payment of cheque crossed generally.	Match crossing, account, authority, due course, negligence and return reason.
Section 127	Payment of cheque crossed specially more than once.	Match crossing, account, authority, due course, negligence and return reason.
Section 128	Payment in due course of crossed cheque.	Match crossing, account, authority, due course, negligence and return reason.
Section 129	Payment of crossed cheque out of due course.	Match crossing, account, authority, due course, negligence and return reason.
Section 130	Cheque bearing not negotiable.	Trace physical/electronic custody, endorsement wording, value, date and title defects.
Section 131	Non-liability of banker receiving payment of cheque.	Run KYC, payee-account match, crossing, endorsement, unusual transaction and fraud-alert checks.
Section 131A	Application of Chapter to drafts.	Identify trigger, parties, conditions, exceptions, consequence and linked sections before execution.

Evidence file

Instrument/image; mandate; contract/invoice/delivery; ledger/bank/tax; presentment/return; notice/service; calculations; settlement/orders; source log.

Default response

Freeze timeline; verify debt and authority; preserve originals; validate bank memo; calculate statutory/civil clocks; decide cure, notice, settlement and filing.