

Section-2

Ques: Who is paying Banker? What are the duties and responsibilities of paying banking. Explain the provisions and consequences of dishonour of cheque.

Ans

The paying banker is the bank whose name is printed on a given cheque. This bank pays the specified amount by the cheque to the collecting banker and withdraws that amt. from the customer's account. This is only done if the customer has sufficient funds within their account in order to enable the transaction.

- Duties and responsibility of paying banking are:-
 1. Collecting cheques with due care and presenting it to drawee banker in responsible time.

2. Presenting the cheque to drawee banker ~~to~~ on next working day in case if both the banks are located in same area.
3. Sending the cheque through clearing house or post to drawee bank in case of outstation bank.
4. Taking due care and precaution for the interest of true owner of a cheque.
5. Verifying the endorsement properly on order cheque.

According to section 138 of the Act, the dishonour of cheque is a criminal offence and is punishable by imprisonment ~~by~~ up to two years or with monetary penalty or with both. The notice should mention that the cheque amtⁿ has to

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be paid to payee within
15 days from the date
of receipt of the notice
by the drawer.