If the drawer does not dispute the issuance of the cheque or deny his signature, the statutory presumption as contemplated under Section 139 of the N.I. Act comes into play. Consequently, the burden shifts to the drawer to prove that the cheque was not issued for any legally enforceable debt or liability, an exercise that must be undertaken during the trial

The **Supreme Court** in the case of **Renuka vs State of Maharashtra [2026 INSC 327] dated April 07, 2026**, has held that at the stage of issuance of process, the statutory presumption under Section 139 of the Negotiable Instruments Act (NI Act) cannot be dislodged in a summary manner merely by contending that the cheque issued was not for any legally enforceable debt or liability. Once the basic ingredients of Section 138 of the NI Act are duly satisfied by the complainant, the rebuttal of the statutory presumption by the drawer can only be made during the course of trial.

The Court observed that at the stage of issuance of process by the Metropolitan Magistrate, what is prima facie required to be seen is the issuance of the cheque by the drawer, its dishonour on presentation, issuance of the statutory notice, and filing of the complaint within the prescribed statutory period.

The Court clarified that if the drawer does not dispute the issuance of the cheque or deny his signature, the statutory presumption as contemplated under Section 139 of the N.I. Act comes into play. Consequently, the burden shifts to the drawer to prove that the cheque was not issued for any legally enforceable debt or liability, an exercise that must be undertaken during the trial.

The Court noted that the Sessions Court misdirected itself by giving more weightage to the fact that the agreement dated 12th January 2022 was not signed by the second respondent, thereby ignoring that the basic ingredients for attracting the provisions of Section 138 of the N.I. Act had been duly satisfied for the issuance of process. Concluding that the cheque was not issued for a legally enforceable debt at the pre-trial stage itself, without granting an opportunity to the complainant to substantiate her case by leading evidence, amounts to ignoring the statutory presumption. Such an approach results in the presumption under Section 139 of the N.I. Act getting washed away even prior to the commencement of the trial.