

NIA S. 138, 139 – Sign not denied – Once it is presumed that the cheque is issued towards debt or other liability, is in favour of the Complainant, then it is for the accused to prove the contrary – Acquittal set aside.

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Negotiable Instruments Act, 1881, S. 138, 139 - Complaint did not specifically state the nature of transactions and the source of funds - Presumption under Section 139 is a statutory presumption - It shall be presumed, unless the contrary is proved, that the holder of a cheque received the cheque of the nature referred to in Section 138 for discharge, in whole or in part, of any debt or other liability - Once the initial burden is discharged by the Complainant that the cheque was issued by the accused and the signature and the issuance of the cheque is not disputed - Onus will shift upon the accused to prove the contrary that the cheque was not for any debt or other liability - Once it is presumed that the cheque is issued in whole or in part of any debt or other liability which is in favour of the Complainant/holder of the cheque, in that case, it is for the accused to prove the contrary - Acquittal set aside.

Presumption u/s.139, N.I., Act, cannot be rebutted on the ground that complainant did not specifically state the nature of transactions and the source of funds.

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