

Denial of Signature Alone Won't Save a Cheque-Bounce Case

Kuntegowda v. Thurubaiah • 2026 INSC 790 • Supreme Court of India • Decided 4 August 2026

THE BACKGROUND

A friend lent Rs.4,50,000 for a house-site purchase, to be repaid in a year with interest. The borrower issued a cheque that later bounced for insufficient funds. A trial court convicted him under Section 138 of the NI Act; the sessions court upheld the conviction but reduced the fine. The Karnataka High Court then stepped in through its revisional powers and acquitted him — reasoning that the lender's modest income made it improbable he could have advanced such a large, interest-free sum.

WHAT THE SUPREME COURT SAID

Once a person admits signing a cheque, the law already presumes it was issued for a real debt — the burden shifts to the accused to prove otherwise, not the other way around. Here, the accused's defence (that the cheque was really security for an unrelated, smaller loan, and had been misused) was raised only after the trial had begun, unsupported by any paper trail, and undercut by witnesses who flatly denied his version. The lender's ability to raise funds from relatives, corroborated by their own sworn testimony, was enough to satisfy the presumption of a genuine debt.

ON THE HIGH COURT'S ROLE

The Court also underlined a broader principle: a High Court exercising revisional jurisdiction is not a second appellate court. It cannot re-weigh evidence and swap in its own view merely because another conclusion was possible — it may only step in where a finding is perverse or a glaring miscarriage of justice is evident on the record. Finding no such flaw here, the Supreme Court restored the conviction and the sentence originally imposed by the trial court.

TAKEAWAY

In cheque-bounce cases, a bare denial of liability is not a defence. Once your signature is admitted, the law stands with the person holding the cheque — unless you bring real evidence to break that presumption.