

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

[MRS. MALAVIKA HEGDE VS. ENFORCEMENT
DIRECTORATE AND OTHERS]

19.01.2026

(VIDEO CONFERENCING / PHYSICAL HEARING)

CORAM: HON'BLE MR. JUSTICE B M SHYAM PRASAD

ORAL ORDER

Sri Sajan Poovayya, the learned Senior Counsel for the petitioner, is heard on the grant of *ad interim* order. The learned Senior Counsel, arguing in support of the stay of the further proceedings pursuant to the Show Cause Notice dated 23.11.2022 and the complaint dated 03.11.2022 *qua* the petitioner, canvasses the following:

[a] The petitioner's husband has died in the year 2019 and that the proceedings are initiated for adjudication under Section 16 of the Foreign Exchange Management Act, 1999 [for short '*the Act*'] on 03.11.2022 against the petitioner as the legal representative of the deceased husband.

[b] Under the scheme of the Act, the petitioner's liability, even if any, could have been only if there was an adjudication and a penalty order

as contemplated under Section 43 of the Act and not otherwise.

[c] A legal representative cannot be called upon to answer a liability to pay penalty for an action that could be by the deceased.

In consideration of these submissions, the interim order is granted staying further proceedings under the Show Cause notice dated 23.11.2022[Annexure-B] qua the petitioner until the next date of hearing.

The notice to the fourth respondent stands dispensed with as requested.

Sri Madhu N Rao, a learned standing counsel for the first to third respondents, is called upon to accept notice for these respondents.

The respondents are reserved with liberty to complete the pleadings and seek vacating of this order.

The office is directed to re-list this petition on **23.02.2026.**

(B M SHYAM PRASAD)
JUDGE