

**IN THE HIGH COURT OF KARNATAKA AT BENGALURU**  
[COFFEE DAY ENTERPRISES LIMITED VS. ENFORCEMENT  
DIRECTORATE AND OTHERS]

21.01.2026

(VIDEO CONFERENCING / PHYSICAL HEARING)

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

**ORAL ORDER**

Mr. Sajan Poovayya, the learned Senior counsel for the petitioner, is heard on the petitioner's grievance with the Show Cause Notice dated 23.11.2022 issued by the first respondent [*the Adjudicating Authority*] under the Foreign Exchange Management Act, 1999 [for short, '*the Act*'] and with the Notice dated 07.01.2026 issued by the second respondent under Rule 4(3) of the Foreign Exchange Management (Adjudication Proceedings and Appeal) Rules 2000.

On the merits of the petitioner's grievance with the Show Cause Notice dated 23.11.2022, the learned Senior counsel submits that the complaint is filed in the month of November 2022 for an alleged act in the year 2009 and that this delay would be fatal to the entire proceedings. On the petitioner's request for interim order, the learned Senior counsel submits that for the purposes of adjudication under

Section 13 of the Act, an inquiry must be held, and in terms of the Technical Circular dated 26.09.2014, which is issued after the disposal of a Special Leave Petition by the Apex Court against a judgment of the Bombay High Court, the Adjudicating Authority must form an opinion on why it intends to proceed against the noticee and that such opinion must be reduced into writing with a copy thereof being furnished to the concerned but in the present case, the petitioner has not been served with the reasons recorded by the Adjudicating Authority to proceed with the adjudication and in the absence thereof, the inquiry would be impermissible in law.

In consideration of these submissions, the interim order is granted, calling upon the second respondent to defer the proceedings scheduled to be held on 30.01.2026 until the next date of hearing and subject to further orders of this Court on such date.

Mr. Madhu N. Rao, a learned Standing counsel for the first to third respondents, is called upon to accept notice, and the learned counsel on record for the petitioner shall ensure copies are served on his chambers at the earliest.

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

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

**(B M SHYAM PRASAD)**  
**JUDGE**

RB  
List No.: 2 Sl No.: 8