

## News

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**The Delhi High Court dismisses investor appeals for cryptocurrency regulation, and the CBI looks into Bitbns.**



***The Court ruled that unless there were extraordinary circumstances, a directive to begin a CBI investigation could not be given.***

On February 11, the Delhi High Court rejected appeals from cryptocurrency investors who wanted the Central Bureau of Investigation (CBI) to investigate Bitbns, regulate cryptocurrency exchanges, and compensate them for their losses. [Union of India v. Aditya Malhotra; Bitbns Internet v. Rana Handa].

***Since the issue was against a private cryptocurrency exchange that was not subject to***

**writs, Justice Purushendra Kumar Kaurav ruled that the petition could not be maintained in writ jurisdiction. Additionally, he decided that, absent extraordinary circumstances, neither a CBI investigation nor instructions to formulate cryptocurrency law could be given.**

The Court further stated that compensation claims must be brought before the proper civil or statutory tribunals because they include contested facts. The Court stated that the legislature should examine and resolve the subject if there is no regulation controlling the preliminary issue.

**Rana Handa, the petitioner, went to the High Court claiming that he had invested ? 14.22 lakh on the Bitbns platform and was subject to withdrawal limitations and disparities in the value of his Bitcoin holdings.**

He asked for instructions to release his money, create a Special Investigation Team inside the CBI, and regulate cryptocurrency exchanges more strictly.

**The Court denied the reliefs, pointing out that the petitioner had other options under the statute, such as contacting the jurisdictional magistrate in the event that a formal complaint was not filed.**

Additionally, it ruled that private organizations, like bitcoin exchanges, do not qualify as "States" under Article 12 and, as a result, are not subject to writ orders for the return of monies. They are not doing any official duties. As a result, they are not subject to this Court's writ jurisdiction," the judge declared.

**The Court emphasized that writ jurisdiction is intended to enforce current statutory requirements and cannot be used to coerce the government to establish laws or policies in a specific way in response to the petition requesting a regulatory framework.**

Based on this logic, the Court denied a related petition in Aditya Malhotra & Ors. v. Union of India & Ors. that was submitted by several investors and asked for similar orders against Bitbns, such as a CBI investigation, money release, and damages for purported losses.

**In the Malhotra case, the Court determined that compensation claims could not be decided in writ proceedings because they contained contested issues of fact that**

***required proof and a trial. The investors were given the freedom to bring their claims before the proper statutory or civil courts.***

Advocates Kartik Malhotra, Anindit Mandal, Sushant Gautam, and Dinesh Jotwani represented the petitioners.

***Advocates Dipan Sethi, Snehashish Bhattacharya, Amit Tiwari, Ayushi Srivastava, Ayush Tanwar, Arpan Narwal, Kushagra Malik, Anurag Jain, Vipul Ganda, Ishan Upadhaya, Sakshi Panwar, Udita Singh, Rohan Kothari, Aditya Wadhwa, Shivani Pegatraju, Anupam S. Sharma, Harpreet Kalsi, Ripudaman Sharma, Vashisht Rao, Riya Sachdeva, Amisha P Dash, Aditya Verma, Parkhi Rai, and K. Rigved Prasad represented the respondents.***