HC-KAR

NC: 2026:KHC:58630-DB
WA No. 1983 of 2026

CNR: KAHC010588832026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 15TH DAY OF OCTOBER, 2026

PRESENT

THE HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE

AND

THE HON'BLE MRS. JUSTICE K.S. HEMALEKHA

WRIT APPEAL NO. 1983 OF 2026 (GM-RES)

BETWEEN:

1. SHIVARAJ M.S.
   S/O SIDDAPPA S
   AGED ABOUT 44 YEARS
   R/O. 3032, CASA PARADISO-2
   SOBHA CITY ROAD
   THANISANDRA MAIN ROAD
   BENGALURU – 560 077

…APPELLANT

(BY SRI SHIVARAJ M.S., PARTY-IN-PERSON)

AND:

Digitally signed by SRIDEVI S
Location: High Court of Karnataka

1. THE UNION OF INDIA
   THROUGH THE SECRETARY
   MINISTRY OF FINANCE
   DEPARTMENT OF REVENUE
   NORTH BLOCK
   NEW DELHI – 110 001

2. THE CENTRAL BUREAU OF INVESTIGATION
   THROUGH ITS DIRECTOR
   LODHI ROAD
   NEW DELHI – 110 003

3. THE PRINCIPAL COMMISSIONER OF CUSTOMS
AIR CARGO COMPLEX
MENZIES AVIATION BOBBA CARGO TERMINAL-1
KEMPEGOWDA INTERNATIONAL AIRPORT
DEVANAHALLI
BENGALURU – 560 300

…RESPONDENTS

(BY SRI S. RAJASHEKAR., CGC FOR R-1 & 3)

THIS WRIT APPEAL IS FILED UNDER SECTION 4 OF THE KARNATAKA HIGH COURT ACT PRAYING TO SET ASIDE THE ORDER DATED 24/07/2026 PASSED BY THE HON'BLE SINGLE JUDGE IN W.P.NO.13068/2024 (GM-RES).

THIS APPEAL, COMING ON FOR PRELIMINARY HEARING, THIS DAY, JUDGMENT WAS DELIVERED THEREIN AS UNDER:

CORAM: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE
and
HON'BLE MRS. JUSTICE K.S. HEMALEKHA

ORAL JUDGMENT

(PER: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE)

1. The appellant has filed the present appeal impugning the order dated 24.07.2026 passed by the learned Single Judge in W.P.No.13068/2024 (GM-RES).

2. The appellant had placed an order with an overseas supplier in Hong Kong for a specialised computing device (Innosilicon A9 ZMaster). Apparently, the said equipment is used for cryptocurrency mining. The appellant claims that the said

equipment was purchased under a promotional pre-booking arrangement, whereby the appellant paid the purchase consideration in cryptocurrency, namely Bitcoin (BTC) 0.9400. The overseas vendor dispatched the said equipment under the Airway Bill No.5698197481 along with an invoice dated 03.07.2018 describing the said equipment as a "server" and disclosing the value at USD 300. The DHL filed a Courier Bill of Entry with the Customs department. The goods arrived on 06.07.2018. Prior to that, the courier had sought the appellant's KYC. The Bill of Entry was flagged under the Risk Management System, and the appellant was required to produce the purchase order and a copy of the remittance of the consideration.

3. The Customs department, *prima facie*, was of the view that there was misdeclaration and withheld the release of the goods. In the aforesaid backdrop, the appellant had filed a writ petition (WP.No.13068/2024) seeking the following reliefs:

> "a. Issue a Writ of Mandamus, or any other appropriate writ, order, or direction, directing the Central Bureau of Investigation (CBI) or any other appropriate agency/department to conduct a thorough, impartial, uninfluenced, unbiased, fair and time-bound investigation into

the allegations of corruption and malfeasance against the customs officials responsible for the deliberate delay in clearing the Petitioner's shipment as specified vide Annexure-AM dated 31.01.2023. This investigation shall encompass the identification of all complicit officers, a full disclosure of the investigation's findings, and shall be conducted in adherence to due process.

b. Issue a Writ of Mandamus, or any other appropriate writ, order, or direction, requiring the Central Bureau of Investigation and Principal Commissioner of Customs, Air Cargo Complex, Menzies Aviation Bobba Cargo Terminal 1, Kempegowda International Airport, Devanahalli, BENGALURU-560300, to extend full co-operation and provide all necessary documents, information, and logistical support to facilitate the investigation as reflected in Annexure-R dated 19.04.2021.

c. Issue a Writ of Mandamus, or any other appropriate writ, order, or direction, instructing the Respondents to compensate the Petitioner for the demonstrable financial losses compounded to time, legal costs and the emotional distress caused by their actions and omissions directly leading to the prolonged delay and obstruction in the release of the equipment.

d. Issue directives and observations to the relevant government bodies, Respondent No. 14 specifically the Ministry of Finance and the Central Board of Indirect Taxes & Customs (CBIC), to formulate and implement unambiguous policies and procedures for the

import, clearance, and handling of highly sophisticated mechanisms such as cryptocurrency mining equipment. A mechanism needs to be formulated to penalize the department for delay compounded to time as government expects when taxes and GST are delayed, in accordance with WTO/GATT agreements.

e. Mandate that such policies clearly outline the valuation methods, applicable duties and taxes, necessary documentation, and expected timelines for handling cryptocurrency-related imports

f. Establish an accessible information portal or designate specific officials within the Customs Department to provide guidance and address inquiries related to the import of cryptocurrency mining equipment.

g. Pass any further order or orders as this Hon'ble Court may deem fit, just, and equitable, to secure the ends of justice in the present case.

h. And for this act of kindness, the Petitioner shall ever pray."

4. A plain reading of the reliefs sought indicates that the appellant believed the Customs authority had committed a crime requiring investigation by the Central Bureau of Investigation [**CBI**]. According to the appellant, the respondents had caused a financial loss to him, and he is entitled to compensation.

5. The Customs authority determined that the market value of the goods imported by the appellant was approximately of USD 6750 as ascertainable from the internet. However, the declared value of the equipment was USD 300. The appellant appeared in person and did not dispute that the value of the equipment was USD 6750. Thus, *prima facie*, it appears that the value was misdeclared.

6. The appellant, however, submits that DHL filed the Bill of Entry without any authority. His grievance is that the Customs authority did not immediately value the goods and raise a demand towards the customs duty payable. He also contends that withholding the goods rendered them obsolete.

7. The learned Single Judge had examined the facts of the case and found that within the short period after the goods arrived in India, the Customs department sent a communication dated 19.07.2018 informing the appellant as to why the goods were not immediately cleared. The learned Single Judge also noted that the grounds for withholding immediate clearance as mentioned in the communication were that the equipment was described as a

"server" and its value was declared as USD 300, both of which did not appear to be correct.

8. In the given facts, the learned Single Judge found that there were no grounds to establish any arbitrariness, *mala fide* or abuse of statutory power. The petitioner's prayer to refer the matter to the CBI was wholly misconceived. We find no infirmity with the said view. We also find there are no grounds for issuing any directive for clearance and handling of goods as sought by the appellant. The petition preferred by the appellant was misconceived and the present appeal is also unmerited. In our view, the learned Single Judge has rightly rejected the same.

9. In view of the above, the present appeal is dismissed.

Sd/-
(VIBHU BAKHRU)
CHIEF JUSTICE

Sd/-
(K.S. HEMALEKHA)
JUDGE

sd, List No.: 1 Sl No.: 10