



Cr.L.M.P. No.807 of 2026

IN THE COURT OF THE JUDICIAL MAGISTRATE, THENI.

Present: Thiru. P.Aasay Marudhu, B.A., L.L.B.,

Judicial Magistrate [F.A.C], Theni.

Monday, the 16th day of March, 2026.

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CNR No.TNTH020013412026

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Pay 10 Services Private Limited,
Represented by its Authorized Representative,
Mr. Lokesh Kumar,
(Formerly, Bhartipay Services Private Limited)
Property Bearing No.4, First Floor,
Ring Road, Lajpat Nagar IV,
South Delhi, New Delhi-110 024.

... Petitioner

-Vs-

1. The Inspector of Police,
CCD-III, Cyber Crime Wing,
Theni,
Theni District-625 531.

2. The Branch Manager,
YES BANK, Branch, E18,
Sourth Extension Part-II,
New Delhi-110 049.

...Respondent

This petition has came up on 13.03.2026 for final hearing before me in the presence of Thiru. S. Nirmalkumar, learned counsel appearing for the Petitioner and Learned APP for the 1st respondent and upon hearing both side and upon perusal of the records, this court delivers the following

ORDER

1. This petition has been filed by the Petitioner, Pay10 Services Private Limited (formerly Bhartipay Services Pvt. Ltd.), under Section 503 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (BNSS) before this court seeking de-freezing of its escrow account maintained with Yes Bank, New Delhi (Account No. 001677900000042).



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2. Gist of the petition filed by the petitioner:

(i) The Petitioner submits that it is a Payment Aggregator authorized and regulated by the Reserve Bank of India under the *RBI Master Directions for Payment Aggregators (2025)* and it maintaining account with the second respondent Yes Bank, New Delhi (Account No. 001677900000042). It facilitates payments between customers and merchants and handles 500+ merchants, processing ₹130–150 crores daily. As per RBI regulations, all merchant funds are routed strictly through the Petitioner's escrow account, and settlements to merchants occur only after their KYC is completed.

(ii) The Petitioner submits that on 23.01.2026, the 1st Respondent (Inspector of Police, CCD-In, Cyber Crime Wing, Theni) issued an email notice under Sections 94 & 106 BNSS and Section 69 of the IT Act, informing that the entire escrow account had been frozen for ₹150 crores, without any prior notice, hearing, or judicial authorization. The freezing was reportedly based on several complaints received by the Respondent police.

(iii) The petitioner further submits that while they were preparing a response, the 1st Respondent sent another communication on 24.01.2026, seeking documents related to the freezing. The Petitioner claims it immediately furnished all required documents, but received no substantive response.

(iv) Because of continued inaction, the Petitioner approached the Hon'ble Delhi High Court by filing W.P. (CrL.) No. 710/2026. On 27.02.2026, the Hon'ble High Court permitted the Petitioner to withdraw the writ petition with liberty to approach the appropriate jurisdictional court. Accordingly, the present petition has been filed.

(v) The Petitioner later learned that an FIR in Crime No. 50/2025 was registered against the company under Section 318(4) BNS and Section 66D of the IT Act. However, the Petitioner alleges that freezing of the account occurred *before* the



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filing of any proper petition under Section 107 BNSS, and the police attempted to complete the legal procedure only as a post-facto formality.

(vi) The Petitioner further submits that mere registration of an FIR does not empower the police to freeze bank accounts unless there is a valid and prior judicial order of attachment. The unilateral action of the police is termed arbitrary, lacking jurisdiction, and contrary to settled law.

(vii) The Petitioner states that despite multiple representations and full cooperation with the investigation, the Respondent police have not taken any corrective action to lift the lien or follow the mandatory legal procedure. Since the 1st respondent police had not followed the procedure mandated under Sec. 107 BNSS, the subsequent lien made by the 2nd respondent on the request of 1st Respondent is against the law, and hence the petitioner has filed the present petition to lift the lien marked by the 2nd respondent on the request of 1st respondent.

3. Gist of Counter filed by the 1st Respondent/ Police:

(i) The Respondent submits that the above FIR was registered based on complaints received through the National Cyber Crime Reporting Portal (NCRP) alleging online financial fraud involving multiple digital payment transactions routed through various merchant accounts. During the investigation, they have identified that several disputed transactions had been routed through the payment gateway operated by the petitioner/Pay10 Services Pvt. Ltd., whose settlement (escrow) account is maintained with the 2nd respondent/YES Bank.

(ii) The 1st respondent further submits that to prevent diversion or dissipation of suspected fraudulent funds, they directed the bank to place a lien on the relevant accounts. At the time of issuing the lien, they were unaware that the account was an *escrow account* used for payment gateway operations, and the bank had also not communicated this information to the 1st respondent. Due to urgency and in the



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interest of protecting the complainant's money, the officer ordered a lien on the entire balance.

(iii) The 1st respondent further submits that subsequently, representatives of Pay10 contacted them and expressed their willingness to cooperate by providing documents such as merchant onboarding details and transaction records. However, they still had not furnished the full set of documents requested for proper verification and analysis. The 1st respondent further submits that, based on the financial trail analysis related to 13 NCRP complaints, authorities currently suspect that the disputed amounts were settled through the escrow account. The same account appears across 19,000 NCRP complaints nationwide, including about 1,600 in Tamil Nadu. Within the 1st respondent police jurisdiction limits, at present, they have 13 identified complaints, with the total suspected loss amounting to ₹3,43,76,287/-, and the 1st respondent submitted that the lien may be retained *only* to this extent while the remaining balance may be released.

4. The issue for determination is whether the petitioner is entitled to the relief to lift the lien of Rs. 150 Crores made by the 2nd respondent on the request of 1st respondent?

5. After careful analysis and scrutiny of the material on record the court concludes as follows.

(i) The present petition seeks unlien of the petitioner's bank accounts, which were frozen by the investigating agency during the pendency of the investigation. The Petitioner respectfully submits that the action of the 1st Respondent in causing the freezing and marking of lien over the Petitioner Company's bank account is wholly contrary to the procedure contemplated under Section 107 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (BNSS). The said provision empowers the investigating agency to seek attachment of any property alleged to be connected with an offence; however, such attachment can be effected only upon obtaining an appropriate order



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from the jurisdictional Magistrate and by strictly adhering to the procedure prescribed therein.

(ii) In the present case, the 1st Respondent has not followed the mandatory statutory procedure contemplated under Section 107 BNSS. No prior application was made before this court seeking permission for attachment of the Petitioner's bank account, nor was any judicial order obtained authorizing such action. Instead, the 1st Respondent unilaterally issued directions to the 2nd Respondent Bank to freeze the account and mark lien over the amount lying therein. Such action, undertaken without the sanction of the this court and without following due process of law, is arbitrary, without jurisdiction, and contrary to the statutory safeguards provided under the BNSS. The Petitioner further submits that the 2nd Respondent Bank, acting solely on the instructions of the 1st Respondent and without the backing of any valid judicial order, has marked lien over the Petitioner Company's account. The said action of the Bank, being founded on an irregular and illegal direction, is also unsustainable in law.

(iii) Therefore, in the absence of compliance with the mandatory procedure prescribed under Section 107 BNSS and in the absence of any lawful order of attachment issued by this court, the freezing and marking of lien over the Petitioner's bank account is vitiated by illegality and is liable to be set aside. Hence, the Petitioner humbly prays that this Hon'ble Court may be pleased to direct the 2nd Respondent Bank to forthwith remove the lien and defreeze the amounts lying in the Petitioner Company's account.

(iv) On the other hand, the 1st respondent submitted that at the time of issuing the email communication directing the freezing of the account, the 1st Respondent had called upon the Petitioner to furnish certain particulars relating to the transactions and the nature of the account. However, according to the Respondents, the requested particulars were not immediately furnished to them. The Respondents further submit



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that the 2nd Respondent Bank had not informed the 1st Respondent about the exact nature and operational character of the said account, particularly that it was being maintained as an escrow account in connection with the Petitioner Company's payment aggregation business. In such circumstances, and in order to safeguard the interests and potential claims of the de facto complainants who had lodged complaints through the National Cyber Crime Reporting Portal (NCRP), the 1st Respondent had directed the Bank to mark lien over the amounts lying in the said account.

(v) The Respondents further states that thereafter the Nodal Officer of the Petitioner Company approached the 1st Respondent and gave an undertaking that all necessary particulars and documents relating to the transactions and the nature of the account would be furnished. Subsequently, the Petitioner Company furnished the relevant details and documents as sought by the investigating agency.

(vi) It is further submitted that, as on date, the 1st Respondent has received thirteen (13) complaints (acknowledgment no's.22905250038627, 22907250054012, 22908252259895, 22908250062078, 32904250022703, 32905250027663, 32906250031627, 32906250037291, 32908250047502, 32908250050213, 32909250059186, 32911250071812 and 32912250084482) through the NCRP portal, and based on the preliminary verification of the transactions involved in those complaints, a sum of Rs. 3,43,76,287/- has been identified as the amount required to be retained under lien for the purpose of safeguarding the claims of the concerned complainants and for the purpose of investigation. The Respondents therefore submit that they have no objection for the release or de-freezing of the remaining balance amount in the account, subject to the retention of the aforesaid sum under lien until completion of the investigation.

6. Section 107 BNSS deals with the procedure to be followed when property is seized or attached by the police during an investigation. This procedural safeguard



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under Section 107 BNSS aims to strike a balance between the needs of investigation and the protection of individual rights by subjecting such freezing actions to judicial oversight. In the recent and relevant decision of Headstar Global Pvt. Ltd. v. State of Kerala [2025 LiveLaw (Ker) 339], the Hon'ble kerala High Court held that, "***A bank account can be attached under Section 107 of the BNSS, 2023, only on the orders of the jurisdictional Magistrate and that the police cannot unilaterally do so.***"

7. It is pertinent to extract the relevant portion of the above citation as hereunder :

10. It is pertinent to note that all the above decisions were rendered with respect to Section 102 of the Code of Criminal Procedure and the Code did not contain any provision for seizure or attachment of the proceeds of crime, except under Chapter VII-A dealing with reciprocal arrangements with other countries for assistance in attachment and forfeiture of property in a contracting state. This lacuna is cured by retaining Section 102 of the Criminal Procedure Code as Section 106 and including Section 107 in the Bharatiya Nagarik Suraksha Sanhita, 2023 ("BNSS" for short). For ease of reference, the newly introduced Section 107 of BNSS is extracted below;

"107. Attachment, forfeiture or restoration of property

(1) Where a police officer making an investigation has reason to believe that any property is derived or obtained, directly or indirectly, as a result of a criminal activity or from the commission of any offence, he may, with the approval of the Superintendent of Police or Commissioner of Police, make an application to the Court or the Magistrate exercising jurisdiction to take cognizance of the offence or commit for trial or try the case, for the attachment of such property.

(2) If the Court or the Magistrate has reasons to believe, whether before or after taking evidence, that all or any of such properties are proceeds of crime, the Court or the Magistrate may issue a notice upon such person calling upon him to



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show cause within a period of fourteen days as to why an order of attachment shall not be made.

(3) Where the notice issued to any person under sub-section (2) specifies any property as being held by any other person on behalf of such person, a copy of the notice shall also be served upon such other person.

(4) The Court or the Magistrate may, after considering the explanation, if any, to the show-cause notice issued under sub section (2) and the material fact available before such Court or Magistrate and after giving a reasonable opportunity of being heard to such person or persons, may pass an order of attachment, in respect of those properties which are found to be the proceeds of crime: Provided that if such person does not appear before the Court or the Magistrate or represent his case before the Court or Magistrate within a period of fourteen days specified in the show-cause notice, the Court or the Magistrate may proceed to pass the ex parte order.

(5) Notwithstanding anything contained in sub-section (2), if the Court or the Magistrate is of the opinion that issuance of notice under the said sub-section would defeat the object of attachment or seizure, the Court or Magistrate may by an interim order passed ex parte direct attachment or seizure of such property, and such order shall remain in force till an order under sub-section (6) is passed.

(6) If the Court or the Magistrate finds the attached or seized properties to be the proceeds of crime, the Court or the Magistrate shall by order direct the District Magistrate to rateably distribute such proceeds of crime to the persons who are affected by such crime

(7) On receipt of an order passed under sub-section (6), the District Magistrate shall, within a period of sixty days distribute the proceeds of crime either by himself or authorise any officer subordinate to him to effect such distribution.



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(8) If there are no claimants to receive such proceeds or no claimant is ascertainable or there is any surplus after satisfying the claimants, such proceeds of crime shall stand forfeited to the Government.”

(11) The definition of 'proceeds of crime' as available in Section 111(c) of BNSS reads as follows; “(c) "proceeds of crime" means any property derived or obtained directly or indirectly, by any person as a result of criminal activity (including crime involving currency transfers) or the value of any such property;”

(12) Going by Section 107 of BNSS, a police officer investigating a crime has to approach the jurisdictional Magistrate seeking attachment of any property believed to be derived directly or indirectly from criminal activity or the commission of an offence. The Magistrate may thereupon order attachment after hearing all parties concerned or issue an interim order for attachment, if issuing notice to the owner will defeat the purpose of attachment and seizure. After confirming that the attached property is the proceeds of crime, the Magistrate can direct the District Magistrate to distribute the property among those affected by the crime. Thus Section 107 confers the jurisdictional Magistrates with explicit authority to act swiftly in cases involving proceeds of crime.

(13) Another aspect of importance is that, while Section 106 speaks of seizure, Section 107 deals with attachment, forfeiture and restoration. Seizure under Section 106 can be carried out by a police officer and an ex post facto report submitted to the Magistrate. On the other hand, attachment under Section 107 can be effected only upon the orders of the Magistrate. The logic behind this distinction being that the purpose of seizure is more to secure the evidence during an investigation, whereas attachment is intended to secure the proceeds of crime by preventing its disposal and thus ensuring its availability for legal procedure such as forfeiture and distribution to the victim/s.”



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8. From the above judgment, it is clear that after the introduction of sec 107 BNSS, the investigation agency cannot attach or freeze a bank account without obtaining orders from the jurisdictional magistrate court.

9. This Court is of the view that the freezing of bank accounts impacts the fundamental rights of individuals, particularly their right to carry on trade or business and the right to livelihood, as enshrined under Article 19(1)(g) and Article 21 of the Constitution of India. It was further observed that the police cannot bypass the Magistrate's scrutiny and must adhere to the legal mandate of Section 107 BNSS.

10. In the present case, there is no material placed on record to show that the police had obtained prior or post facto permission from this court before or after freezing the petitioner's bank accounts. Such action, being in derogation of Section 107 BNSS, cannot be sustained in the eyes of law.

11. Admittedly, in the present case, the Investigating Agency has not strictly adhered to the procedure contemplated under Section 107 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (BNSS), which mandates that whenever any property is seized or attached during the course of investigation, the same shall be forthwith reported before the jurisdictional Magistrate and appropriate orders shall be obtained regarding its custody or retention. In the case on hand, the records reveal that the bank account of the petitioner company was directed to be frozen and lien was marked over the amounts lying therein without first obtaining appropriate orders from the competent Magistrate, as required under the said provision.

12. However, the 1st Respondent has raised a concern before this Court that several complaints have been received through the National Cyber Crime Reporting Portal (NCRP) from defacto complainants alleging loss of money through the transactions routed via the petitioner company's platform. According to the 1st Respondent, if the entire amount presently kept under lien is released without any safeguard, the Investigating Agency would not be in a position to secure or protect



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the interests of the said de-facto complainants during the course of investigation. It is further submitted that, based on the complaints received so far, a sum of Rs. 3,43,76,286/- is required to be retained under lien in order to safeguard the possible claims of the complainants.

13. Taking into consideration of the concern expressed by the 1st Respondent and to ensure that the interests and claims of the de-facto complainants, who fall within the jurisdiction of the 1st Respondent Police, are duly protected, this Court is inclined to treat the reply filed by the Respondent Police in the present petition as a request made under Section 107 BNSS seeking permission to retain the said amount under lien.

14. Further, during the course of the enquiry of this petition, the learned counsel appearing for the petitioner fairly submitted that the petitioner has no objection to retaining the aforesaid amount corresponding to the complaints received by the 1st Respondent and has also filed a undertaking affidavit to that effect before this Court.

Therefore, this court inclines to allow this petition on the following directions:

1. The petitioner is directed to forthwith furnish all the particulars and documents as sought for by the 1st Respondent in connection with the thirteen (13) complaints (acknowledgment no's.22905250038627, 22907250054012, 22908252259895, 22908250062078, 32904250022703, 32905250027663, 32906250031627, 32906250037291, 32908250047502, 32908250050213, 32909250059186, 32911250071812 and 32912250084482) received through the National Cyber Crime Reporting Portal (NCRP). The petitioner shall also extend full cooperation to the investigation by producing the transaction details, merchant particulars, KYC documents and any other relevant records as may be required by the Investigating Agency from time to time.



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2. The petitioner shall file an undertaking before this Court stating that they shall be readily available for the purpose of investigation and shall cooperate with the 1st Respondent whenever their presence or assistance is required, including the production of additional documents or clarification regarding the transactions under inquiry.
3. Upon such submission of the required particulars and filing of the undertaking by the petitioner, the 1st Respondent is directed to issue appropriate communication to the 2nd Respondent Bank to retain lien over the petitioner company's account to the extent of Rs. 3,43,76,286/- (Rupees Three Crores Fourty Three Lakhs Seventy Six Thousand Two Hundred and Eighty Six only) in order to safeguard the claims of the defacto complainants. The 1st Respondent is further directed to issue necessary instructions to the 2nd Respondent Bank to lift/unmark the lien in respect of the remaining amount lying in the said account, thereby permitting the petitioner company to operate the account with regard to the balance amount, subject to the outcome of the investigation.

This order is dictated to Steno Typist, typed by her in Computer, corrected and pronounced by me in the open court on this the 16th day of March 2026.

Judicial Magistrate(FAC),
Theni.