

**TELECOM DISPUTES SETTLEMENT & APPELLATE TRIBUNAL**

**NEW DELHI**

**Dated 11 September 2025**

**Cyber Appeal No. 7 of 2020**

IndusInd Bank Limited

... Appellant

Vs.

Connectwell Industries Pvt. Ltd., & Ors

... Respondents

**BEFORE:**

**HON'BLE MR. JUSTICE RAM KRISHNA GAUTAM, MEMBER**

Appellant : Mr Chetan Anand Yadav, Advocate

Respondent : Ms Saloni Jain, Advocate for Connectwell Industries Pvt. Ltd. (R-1)

Dr Hemant Gupta & Mr R. John, Advocates for ICICI Bank (R-2)

Mr Meet Malhotra, Sr. Adv, Mr Kaushik Moitra, Ms Subhalaksmi Sen, Ms Shambhavi Kashyap & Ms Pallak Singh, Advocates (R-3)

Ms Aditi Dixit, Advocate for HDFC Bank (R-4)

Mr Rahul Bali & Mr Dharmender Kamti, Advocates for RBL Bank (R-5)

## **JUDGMENT**

1. This Appeal, under Section 57 (1) of Information Technology Act, 2000, read with Rule 3(1) of the Cyber Appellate Tribunal (Procedure) Rules, 2000, has been filed by Appellant-IndusInd Bank against Connectwell Industries Private Limited and others, against the Judgment, dated 21.09.2019, passed by the Adjudicating Officer, Shri S.V.R Srinivas, IAS, Principal Secretary, Information Technology, Government of Maharashtra, in Complaint Case No. 30 of 2014, dated 9<sup>th</sup> June 2014, as amended on 14 December 2016, whereby present Appellant has been directed to make compensation to the tune of Rs. 2,50,000/- (Rupees Two Lakhs Only) to Complainant.
2. In brief, the memo of Appeal, contends that Complainant-Connectwell Industries Private Limited, Respondent No.1, was holding its two current accounts with ICICI Bank Limited, Respondent No.2, for 12 years, and it was being operated by authorized signatory of it. On 17.02.2014, at around 09.45 A.M, a complaint was lodged about the unauthorized transfer of funds from those current accounts, through RTGS and NET Banking Delivery Channel, to the tune of Rs.20,55,000/-

(Rupees Twenty Lakhs Fifty-Five Thousand Only) to various mule accounts, opened by fraudsters.

3. On 16.02.2014, at around 06.30 – 06.45 P.M, the authorized signatory of the Complainant noticed that network of registered mobile number of Complainant was disconnected, and it was around this time that the duplicate SIM Card was activated by fraudsters, which in turn, prevented the complainant from receiving all alerts, including OTP, from the Respondent No.1 and 2, during the execution of those 18 unauthorized transactions, including adding beneficiary accounts, whereas, complainant had never requested for the duplicate SIM, nor have visited the store of Respondent No.3, on 16.02.2014. A duplicate SIM card by a fraudster was got issued by Telecom Service Provider, Vodafone Idea Limited, in violation of procedure laid down by TRAI. A Police compliant at Police Station Manpada, Dombivali, as FIR No. 116/14, was got registered. An amount of Rs. 4,88,000/- (Rupees Four Lakhs Eighty-Eight Thousand Only) was got credited back to current accounts.
4. A compliant with Learned Adjudicating Authority, for reimbursement of full amount of Rs. 15,52,000/- (Rupees Fifteen Lakhs Fifty-Two Thousand Only), alongwith @ 24% per annum, and compensation of

Rs. 3,00,000/- (Rupees Three Lakhs Only), were claimed. Reply by Respondent No.2 and 3, filed before Learned Adjudicating Officer, was with admission of, issuing of registered mobile number, by above Telecom Service Provider, to Complainant. OTP over registered mobile number, as well as Email Id was sent from the Bank for each transaction. Those transactions were occurred within 02 hours 20 minutes, and transactions which were 18 in number, were with 07 beneficiaries, having their accounts in various branches of ICICI Bank itself, wherein, Rs. 9,50,000/- (Rupees Nine Lakhs Fifty Thousand Only) was credited, from which Rs. 5,58,405/- (Rupees Five Lakhs Fifty-Eight Thousand Four Hundred and Five Only) were already withdrawn till remaining Rs. 3,91,595/- (Rupees Three Lakhs Ninety-One Thousand Five Hundred and Ninety-Five Only) could be freezed.

5. On the basis of reply filed by Respondent No.2 and 3 and in view of the order of Learned Adjudicating Officer dated 30.03.2019, Appellant Bank and other Banks were arrayed as Respondents.
6. Having received notice, reply was filed on 24.07.2019 before Learned Adjudicating Officer. Learned Adjudicating Officer had passed Impugned Judgment dated 21.09.2019, whereby, order is to make

payment Rs. 2,50,000/- (Rupees Two Lakhs Fifty Thousand Only) to the Bank account of Complainant, maintained with ICICI Bank.

7. The Impugned Judgment is violative of Principle of Natural Justice, passed in a mechanical manner, without observing guidelines of RBI given to Bank and the expected precaution from the Bank Account holder operating Internet banking. There is no Privity of Contract between Appellant and the Complainant. No jurisdiction, nor there was any negligence, as per Section 43 of IT, Act by Appellant, or its employee. Hence, this appeal with above prayer.
8. This Appeal has been replied with reiteration of contention of Complaint.
9. Heard Learned Counsels for both side and gone through materials placed on record.
10. Present Appellant is the Bank, wherein, 03 beneficiaries Mr Manoj Kumar, Mr Vishal Kumar, Mr Jangam Vasu having their account have withdrawn respectively Rs. 2,00,000/-, Rs. 25,000/- and Rs. 25,000/- out of the money syphoned from Complainants account and withdrawn through these beneficiary accounts.
11. After having reply, from Respondent ICICI Bank, it came to notice that Respondent 5 to 8 were the banks from whom also beneficiaries have

withdrawn amounts transacted from Complainants account, and upon moving an application those Banks were added as Respondent in above complaint. Then after, the notices were issued. The mule account, having withdrawn of Rs. 2,00,000/- got opened in IndusInd Bank by Manoj Kumar and Rs. 25,000/- by Vishal Kumar, Rs. 25,000/- by Jangam Vasu are with specific mention that details of the mule account holders were not shared. Once the amount has been withdrawn through the account holder of Appellant Bank an opportunity was there to place before Learned Adjudicating Officer. Hence, the requisite details as well as compliance of KYC Norms, establishing of identity as well as residential proof of those account holders are to be placed before Learned Adjudicating Officer. But, it was very well there, that it was not done so.

12. Under above facts and evidence on record Learned Adjudicating Officer has validly imposed compensation of Rs. 2,50,000/- (Rupees Two Lakhs Fifty Thousand Only) to be made by Appellant Bank, to the account of Complainant, being maintained by ICICI Bank, in its apportioned liability. Accordingly, there is nothing illegal, requiring any interference by this Appellate Court.

13. Appeal merits its dismissal.

14. Appeal is being dismissed with cost.

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(Justice Ram Krishna Gautam)  
Member

11.09.2025  
/BN/

