

TELECOM DISPUTES SETTLEMENT & APPELLATE TRIBUNAL

NEW DELHI

Dated 11 September 2025

Cyber Appeal No. 32 of 2019

Vodafone Idea Limited

... Appellant

Vs.

Connectwell Industries Pvt. Ltd. & Ors

... Respondents

BEFORE:

HON'BLE MR. JUSTICE RAM KRISHNA GAUTAM, MEMBER

For Appellant

:

Mr Meet Malhotra, Sr. Adv

Mr Kaushik Moitra, Ms Subhalaksmi Sen,

Ms Shambhavi Kashyap & Ms Pallak Singh,
Advocates for Vodafone Idea Ltd.

For Respondent

:

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

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

Ms Aditi Dixit, Advocate for HDFC Bank (R-3)

Mr Chetan Anand Yadav, Advocate for
IndusInd Bank (R-4)

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

JUDGMENT

1. It is an Appeal, under Section 57(1) of Information Technology Act, 2000, read with Rule 3(1) of the Cyber Appellate Tribunal (Procedure) Rules, 2000, by Appellant Vodafone Idea Limited, against Connectwell Industries Private Limited and others, Respondent No.1 (Complainant of the Petition) ICICI Bank Limited - Respondent No.2, HDFC Bank Limited - Respondent No.3, IndusInd Bank Limited - Respondent No.4, RBL Bank Limited - Respondent No.5, Kotak Mahindra Bank Limited - Respondent No.6 and Unknown Persons, filed against Order/Judgment, dated 21 September 2019, passed by Learned Adjudicating Officer Shri S.V.R. Srinivas, IAS, Principal Secretary, Information Technology, Government of Maharashtra, in Complaint Case No. 30 of 2014, dated 9 June, 2014 as amended on 14 December, 2016, whereby present Appellant has been directed to make compensation to the tune of Rs. 2,000,00/- (Rupees Two Lakhs Only) to Complainant.
2. Memo of Appeal contends that Appellant is a Company, registered under the Companies Act 2013, having its registered Office at Suman Tower, Plot No. 18, Sector 11, Gandhinagar - 382011, Gujarat with its Circle Office at Skyline ICON, 1st Floor, 86/92, Andheri-Kurla Road,

Marol Naka, Andheri (East), Mumbai-400059, being PAN India renowned Telecom Service Provider.

3. Under Scheme of arrangement between Idea Cellular Limited and Vodafone Idea Service Private Limited, with effect from August 31, 2018, the name of Appellant was changed from Idea Cellular Limited to Vodafone Idea Limited.
4. Respondent No.1, Connectwell Industries Private Limited, represented through Mr Hitendra Hemmadi, is a Private Limited Company, engaged in a business of manufacturing of Electrical Terminal Blocks and Connectors, having its Office at D7, Phase 2, MIDC, Dombivili (E), Maharashtra-421024.
5. It had two current accounts, number 008805000245 and 0088050003376 with ICICI bank Limited - Respondent No.2. Respondent No.1 is the subscriber of Vodafone Mobile No. *****9712, as a Company owned and paid number, in the name of Respondent No.1, got applied and issued by way of application form, signed by authorised representative, under the seal of Respondent No.1. This agreement is **Annexure - G** to memo of Appeal.
6. On 16 February 2014, a person claiming himself to be Mr Hitendra Hemmadi, visited the Vodafone store at Bhoj Mahal, Building No. C,

Plot No. 18, VN Purab Marg, Chembur, Mumbai-71 and requested for a new SIM Card for above Mobile Number, for and on behalf of Complainant, by presenting a signed request letter, on the Letter Head of Complainant. This was with an enclosure of a self-attested copy of Aadhar Card of Mr Hitendra Hemmadi's identification which is **Annexure - H** to memo and after due verification of the documents as per applicable norms and regulations, this request was accepted and a new SIM card was got issued by the Store on 16 February 2014, which was activated on the same day. After this request, in coming text message, on mobile number, were blocked for twelve (12) hours, from the time of request for a new SIM card was registered. Complainant had opted registered mobile number for having updates about any transaction along with registered email for the same and one-time password (OTP) was generated through registered mobile number as well as email address.

7. On 17.02.2014, there had been unauthorized transactions, to the tune of 20,55,000/- (Rupees Twenty Lakhs Fifty-Five Thousand Only) from the bank accounts of Complainant, maintained with Respondent No.2, of whom beneficiaries were unknown, who maintained their accounts in Respondent Nos. 3, 4, 5 and 6 Banks. Out of this Rs. 20,55,000/-

(Rupees Twenty Lakhs Fifty-Five Thousand Only), Rs. 4,88,000/- (Rupees Four Lakhs Eighty-Eight Thousand Only) had been reverted back to the account of Complainant, with another Rs. 10,00,000/- (Rupees Ten Lakhs only) transferred to Respondent No.1's account. In response of the request, made by Police personal of Police Station Manpada, Mumbai, Maharashtra, Appellant furnished the required information/ documents, under the cover of its letter dated 26.03.2014.

8. In Para 6 of Complaint itself, Complainant -Respondent No.1 had stated that Mr Hitendra Hemmadi shared Respondent No.1's Bank accounts detail with his colleague Mrs. Anita Krushnamurti Rao and Mrs Nanda Shekhar Dongre, with a permission to operate above Bank accounts via the Mobile Number as also via Internet. Hence, it was ex-facie apparent that the Respondent No.1 wittingly shared the passwords of their bank account and other such sensitive and confidential bank details with at least two of these persons and this fact has been taken note by Learned Adjudicating Officer in its Impugned Judgment at Pages 22 and 23. This Complaint, U/s 43 read with 43A of the Information Technology Act, 2000, was got filed by Complainant - Respondent No.1, with Learned Adjudicating Officer.

Whereas, Information Technology Act was not applicable to the facts of case of issuing a duplicate SIM card by Telecom Service Provider. Because duplicate SIM did not contain any information which can be termed as sensitive personal data or information. Hence, the matter in issue was without jurisdiction of Learned Adjudicating Officer. Impugned Order is non-reasoned, ex facie illegal, perverse, displaying non-application of mind and against the fact and evidence on record. The present dispute is a Telecom dispute, which falls outside the scope and ambit of Information Technology Act. No cause of action was established against the Appellant U/s 43 or 43A of Information Technology Act. The Appellant doesn't possess handle or deal with sensitive personal data or information. The scope of reasonable security practices and procedures U/s 43A of the said Act, doesn't include subscriber verification at the time of issuing a duplicate SIM Card. The Internet Banking guidelines, issued by Reserve Bank of India (RBI), by way of various Regulations, with regard to Cyber Security frame work, Customer Protection Circular, were not followed by concerned Banks/ Respondents. Hence, this Appeal with a prayer for setting aside Impugned Judgment and complaint.

9. This has been replied by Respondents, whereby, Respondent No.1 – Complainant has negated the contention of memo of Appeal with further reiteration of the contention of Complaint, made before Adjudicating Officer, wherein, specific allegation was that, due to negligence and lack of proper implementation of Reasonable Security Practices and Procedures, under the provisions of the relevant rules of the Act, Deficiency in Services, violation of guidelines of Reserve Bank of India, mainly Master Circular – Know Your Customer (KYC) norms, Anti-money Laundering Standard, Combating of Financing of Terrorism and Obligation of Banks under Prevention of Money Laundering Act, 2002, by the Bank concerned, it had suffered the unauthorized transaction from its accounts and this was fumed and originated by change of SIM Card, resulting debar from having alert of transaction and One time password (OTP) for operating transaction from its Net Banking accounts. This Complainant was with its two current accounts in Bank Branch of ICICI Bank- Respondent No.2, since last twelve years and its authorised signatory used to transact online through Net Bank facilities with registered Mobile Number *****712, of Appellant Telecom Service Provider. On 17 February 2014, at around 09.45 A.M, Complainant learnt about the

unauthorized transfer of funds from the Current Accounts through RTGS and Net Banking Delivery Channel in the tune of Rs. 20,55,000/- (Rupees Twenty Lakhs Fifty-Five Thousand Only) in sixteen (16) transactions from one account and two transactions from other one, detailed in the Complaint. And these transactions were with various mule accounts opened by fraudsters within 07.20 to 09.40 A.M i.e., 02 hours and 20 minutes, in quick succession. And the pattern of this unauthorized transactions were in total variance with the normal transactions of the Complainant, which should have raised alerts in the system of Respondent No.1 and 2 as to possible suspicious activities. It was instantly contacted on 17 February, 2014 at 10.45 A.M., with a complaint to Bank, Respondent No.2 wherein direction was to file complaint, and it was filed so.

10. On 16 February, 2014, Sunday, at around 06.30 till 06.45 P.M., the authorised signatory of the Complainant noticed that network of the Registered Mobile number 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.2, during execution of 18 unauthorized transactions, including adding beneficiary accounts. Upon calling

Telecom Service Provider the disconnection and the request thereby change and issue of duplicate SIM Card was apprised, whereas, no such request nor any visit for having duplicate SIM Card was there, by Complainant. The Telecom Service Provider, present Appellant, had issued a duplicate SIM Card of the registered mobile number to fraudsters, without cross checking the documents submitted by the Complainant and it was negligent on its part. The conduct was in violation of procedure laid down by TRAI, which has resulted in the execution of the unauthorized transactions by the fraudsters. Forged Letter head of Company, with forged signature of Company Officials, with a fake Aadhar Card was filed with request and this was with no verification or authentication. Hence, this transaction took place with syphoning of Rs. 20,55,000/- (Rupees Twenty Lakhs Fifty-Five Thousand Only) from the Complainant account under direct nexus between blocking of registered Mobile Number of Complainant and issuing a duplicate SIM Card to fraudsters. Instant Police Complaint as well as this Complaint with Learned AO was got filed. Rs. 4,88,000/- (Rupees Four Lakhs Eighty-Eight Thousand only) was reversed back to the current account of Complainant.

11. This Appeal was replied by Respondent No.2, ICICI Bank, with same contention as was there before Adjudicating Officer.
12. This Appeal by Telecom Service Provider has been said to be against Complainant with a former party of these Banks i.e., the lapse on the part of Telecom Service Provider, has been said by Complainant and was held by Adjudicating Authority and this ICICI Bank is of no dispute with Telecom Service Provider. Rather, it had denied each and every allegation made by Appellant- Telecom Service Provider, with no liability of this Bank as has been held by Learned Adjudicating Officer.
13. Respondent No.5 had filed its counter with contention that it was with no Privity of Contract either with Appellant- Vodafone Limited or with Complainant nor there was any lapse on the part of this Bank.
14. The Rejoinder to all these objections has been filed by Appellant, with the same reiteration of memo of Appeal.
15. Heard Learned Counsel for both side and gone through material placed on record.
16. This Appeal is by Vodafone Idea Limited, challenging the order of Adjudicating Officer, whereby, Rs. 2,000,00/- (Rupees Two Lakhs only), has been ordered to compensate by this Telecom Service Provider to Complainant for unauthorized transaction, thereby syphoning of Rs.

20,55,000/- (Rupees Twenty Lakhs Fifty-Five Thousand Only) from two of the accounts of Complainant, being maintained by ICICI Bank. The other connected Appeals are by Banks. Hence, this Appeal is limited to that much extent, which relates to present Appellant Vodafone Idea Limited.

17. The Adjudicating Officer held that there was no proof with regard to lapse regarding maintaining standard Reasonable Security Practices by Officers of RBL Bank and ICICI Bank with regard to said transactions, whereas, the illegal transfer and thereby syphoning of money in the tune of Rs.20,55,000/- (Rupees Twenty Lakhs Fifty-Five Thousand Only) was held to be, because of issuance of duplicate SIM Card by Telecom Service Provider i.e., Appellant without observing Reasonable Security Practices.
18. The argument raised on the legal points by Learned Senior Counsel of Appellant is with regard to jurisdiction of this Tribunal, the dispute being a Telecom dispute, not within ambit of IT Act, 2000, with no cause of action U/s 43A of this said Act. Appellant, being not in possession, handle or deal with sensitive personal data or information. Issuing of duplicate SIM vis a vis subscribers verification at that time, is not a Reasonable Security Practices and Procedure, required U/s 43A

of the IT Act. There is non-imposition or apportionment of liability over respective Banks.

19. All these Legal Issues have been raised by Telecom Service Provider in erstwhile decided Appeal CA No.5/ 2018 Vodafone Idea Ltd., Vs. Shri Sandeep Singhal & Anr., coupled with CA No. 3/2018 Bank of India Vs. Shri Sandeep and Anr., wherein all these Issues have been heard and finally decided by this Tribunal, against the Telecom Service Provider, holding the responsibility of Telecom Service Providers for its negligence of non-taking and implementing precautions, while maintaining Reasonable Security Practices and Procedures, as mandated by guidelines / Rules of 2011 in case of wrongful loss to the subscriber and under above facts Section 43A of IT Act, can also get attracted against the Telecom Service Provider. The plea that the lapses in verifying the bonafides and authenticity of the person, applying for a duplicate SIM, amount only to violation of CIF Procedure or KYC Procedure, cannot have any diluting effect upon the rider of Section 43A of IT Act.

20. In Paragraph 44 of the Judgment of above said Appeal, it has specifically been written-

“On the basis of above discussion, it can be safely concluded that if the facts and materials are found sufficient, in a case of present nature involving unauthorized/ fraudulent transfer of money from a bank with the help of duplicate SIM issued in an apparent negligent manner, the Telecom Service Provider which has issued the duplicate SIM and made it operational by including the same in its computer network, can be held liable to pay damages by way of compensation U/s 43A read with 43 (g) of the Act.”

21. This Tribunal, itself, in CA No. 6/2014, Vodafone India Ltd. Vs. Mr Prashant Mahadeorao Buradkar And Others, read with CA No. 7/2014, State Bank of India Vs. Mr Prashant Mahadeorao Buradkar And Another, vide its Judgment, dated 12.09.2024, has dealt, considered and propounded its Judgment, discussing all above legal arguments made by the same Learned Counsel, in those decided Appeals and had argued in present Appeal, negating the argument of Learned Senior Counsel for the Telecom Service Provider, present Appellant.

22. Hence, on above settled proposition of law, the legal arguments raised above, are of no help to Appellant.

23. On the fact, it is apparent that present Appellant had said before Learned Adjudicating Officer that Complainant's authorized signatory

submitted a signed request letter on the Letter head of the Complainant, alongwith enclosed self-attested copy of authorized signatory, Aadhaar Card for identification. Learned Adjudicating Officer has held that the undated letter on the alleged Letter head of a Complainant, filed on record, revealed that this undated letter was improper. The name, photo and address on the original Aadhaar Card of the Complainant's authorized signatory Shri Hitendra Hemmadi, does not match with the one alleged to be filed for replacement of SIM Card. More so, the verification with regard to request on alternate number was not got made at the time of issuing of duplicate SIM Card.

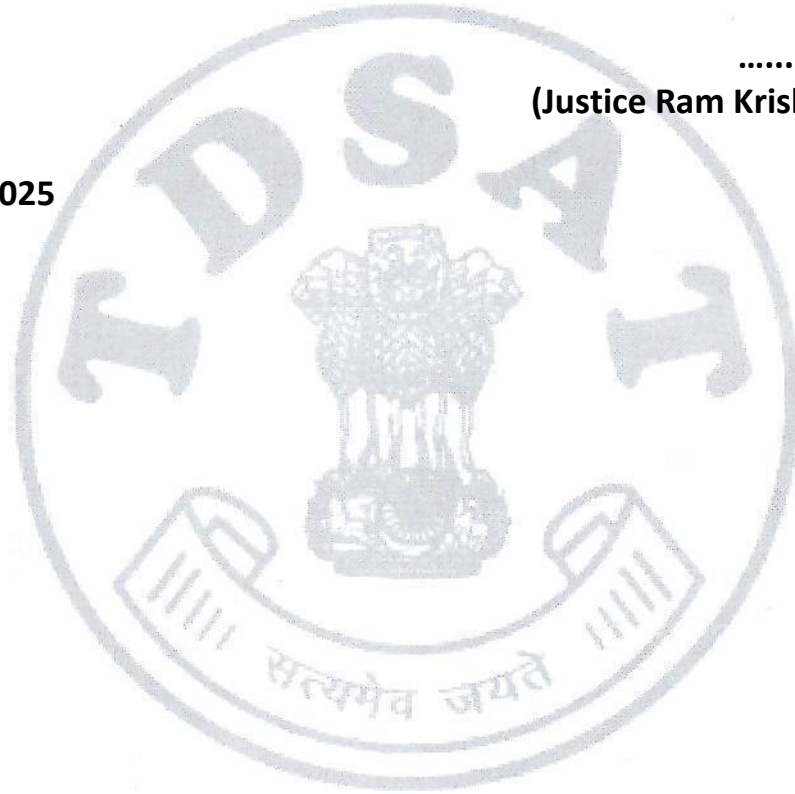
24. The finding of Learned Adjudicating Officer that the fraud cycle began with the fraudsters acquiring the personal information of the Complainant, then successfully obtaining duplicate SIM by submitting false documents and finally transferring them on from Complainant's account to various mule accounts was owing to issue of this duplicate SIM Card and there is no substance to deviate from the finding of Learned Adjudicating Officer. Learned Adjudicating Officer has imposed a very nominal compensation i.e., in the tune of Rs. 2,000,00/- (Rupees Two Lakhs Only) against the alleged syphoning of

more than Rs. 20,000,00/- (Rupees Twenty Lakhs Only). Hence, the apportionment made by Learned Adjudicating Officer in response to degree of negligence is also proper.

25. Hence, this Appeal merits its dismissal.

26. Appeal is being dismissed with cost.

11.09.2025
/BN/



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(Justice Ram Krishna Gautam)
Member