IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD

CRIMINAL APPLICATION NO. 1785 OF 2024

Rushikesh Kantilal Parikh ...Applicant

Versus

1. The State of Maharashtra
2. Jaykumar Mangaldas Shah
   Since deceased
   Virulata Jaykumar Shah ...Respondents

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Mr. S. S. Bora, Advocate for the Applicant
Mr. A. R. Kale, APP for the Respondent No. 1 – State
Mr. A. R. Gaikwad, Advocate for the Respondent No.2

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CORAM : R.M. JOSHI, J
DATE : OCTOBER 14, 2026

P. C. :

1. The present Application is filed seeking quashment of FIR No. 130 of 2013 dated 07.06.2013 registered with Nandurbar City Police Station, District Nandurbar, for the offences punishable under Sections 406, 417(a) and 419(a) of the Indian Penal code, 1860 (for short "IPC") so also charge-sheet bearing No. 68 of 2020 along with supplementary charge-sheet dated 12.03.2020 and order taking cognizance and issuing process passed by the trial court in R.C.C. No. 75 of 2020, dated 20.07.2024.

2. The case of the prosecution is that the Informant, Jaykumar Mangaldas Shah (retired engineer, now dead), maintained a Demat account

with Networth Stock Broking Limited, operating through its sub-broker branch in Nandurbar managed by Shafi Bilal Dhokadiya. Between July 2010 and March 2011, the Informant discovered through physical statements that 5,278 shares across 16 companies (valued at approximately ₹15 Lakhs) were missing from his account. When questioned, the branch manager misled the Informant by assuring him that his shares were safe and directing him to contact a fake email address (networth-s@yahoo.in), through which fraudulent holding statements showing intact share balances were subsequently issued to pacify him. The fraud came to light when the Informant attempted to transfer his holdings at another office in March 2012, revealing the missing shares once again. Inquiries with NSE Mumbai and SEBI confirmed that the email account was unauthorizedly operated by a private individual, and the Informant's shares had been illegally liquidated without his oral or written consent to offset trading losses. The accused, Shafi Bilal Dhokadiya, in collusion with Networth Stock Broking Limited, allegedly created fake email accounts (including sameer47ndb@gmail.com) to intercept trade confirmations and suppress transaction details from the Informant, thereby orchestrating the unauthorized sale and misappropriation of shares worth ₹15 Lakhs. Thus, the present FIR dated 07.06.2013 came to be lodged and after investigation, on 12.03.2020, charge-sheet and supplementary charge-sheet arraigning the present Applicant as one of the accused came to be filed. The order taking

cognizance is passed and process is issued against the Applicant vide order dated 20.07.2024.

3. Learned Counsel for the Applicant submits that the Applicant is falsely implicated in the present crime. He submits that there are no allegations *qua* the present Applicant in the entire charge-sheet, the charge-sheet does not even contain reference to the name of the present Applicant and all the allegations are made against the company and main accused Shafi Bilal. He submits that even if the FIR and charge-sheet is accepted as it is, it does not attract any offence against the present Applicant, since the Applicant never worked in operations team of the accused Company, therefore having no access to the Demat account of the Informant. It is his submission that the Applicant never met the informant or any of his family members until the came to Mumbai Office of the accused Company and then Applicant only provided the Informant with the necessary documents as an employee of the said Company.

4. He further submits that the Applicant is only acting as manager of the Recovery Department in said Company, hence he cannot be made accused only on the basis of being an employee of the said company in a different department. Therefore, he submits that by no way of imagination the said offences u/s 406, 417(a) and 419(a) are attracted against the present Applicant. He further submits that the Applicant has an impeccable

reputation and since he is arraigned as an accused by way of supplementary charge-sheet, he had to face embarrassment and humiliation. Lastly, by relying on the judgement of the Hon'ble Apex Court, in case of ***State of Haryana and Ors. vs. Bhajan Lal and Ors. (AIR 1192 SC 604)***, he submits that since no offence whatsoever is attracted against the present Applicant the FIR, charge-sheet and consequent proceedings deserves to be quashed, since continuation of the proceedings would result in unnecessary harassment of the Applicant.

5. Learned APP and learned Counsel for the Informant oppose the grant of any relief to the Applicants by submitting that the offence is of serious nature and the Applicants have defrauded the Informant. They mostly rely on the statement of the Applicant to show his involvement in the crime in question. The learned Counsel for the Informant draws attention of this Court to the Regulation 21 of Securities and Exchange Board of India (Stock-brokers and Sub-brokers) Regulations, 1992 (for short "Regulations") which created an obligation on employees among others to produce necessary documents to the inspecting authority, in order to show that the present Applicant being an employee is liable for the offence in question. Therefore, according to them the application deserves to be dismissed.

6. Perusal of the record and the statements of witnesses indicate that there is nothing on record which shows the involvement of the present

Applicant in the crime. As far as the statement of the Accused himself is concerned, it is not admissible in law as evidence of his involvement. Reliance of learned Counsel for the Informant on the Regulation 21 of the said Regulations is completely misplaced, since the title of the same itself indicated that the obligation is created only on the inspection by the Board and therefore, same cannot be relied upon to show the involvement of the Applicant in the present crime in question. It is settled position of law that in case the entire material on record is accepted to be correct, no offence is made out, the proceedings can be quashed as held in the judgement of ***Bhajan Lal (supra).*** Therefore, the present case, squarely falls within the guidelines laid down by the Hon'ble Apex Court in **Bhajan Lal (supra)**. Thus, this is a fit case wherein this court is expected to exercise extraordinary powers to quash FIR and subsequent proceedings.

7. In view of the above, the Application stands allowed in terms of prayer clause **'c', 'c-1'** and **'c-2'**.

(R. M. JOSHI, J.)

Malani