IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD

BAIL APPLICATION NO. 2077 OF 2025
WITH
CRIMINAL APPLICATION NO. 1129 OF 2026
IN BA/2077/2025

JITENDRA MANEKLAL PANCHAL
VERSUS
THE INTELLIGENCE OFFICER, DIRECTORATE OF REVENUE INTELLIGENCE (DRI)

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Advocate for Applicant : Mr. Taraq Sayyed a/w Mr. Prashant M. Nagargoje and Ms. Priya Dagade
Advocate for Respondent : Mr. Parikshit Dawalkar

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CORAM : HITEN S. VENEGAVKAR, J.

DATED : 12th OCTOBER, 2026

PER COURT :

1. The applicant seeks regular bail in connection with F.No.DRI/MZU/PuRU/ENQ-46/2023, pending as Special NDPS Case No.77 of 2024 before the Special Court at Aurangabad. He is accused no.4 and faces prosecution for offences punishable under Sections 22, 27-A, 28 and 29 of the Narcotic Drugs and Psychotropic Substances Act, 1985. He was arrested on 12th March, 2025.

2. The respondent states that the investigation concerns illicit manufacture and interstate distribution of drug mephedrone. Searches at premises associated with accused no.1, Jiteshkumar

Premjibhai Hinhoriya, resulted in recovery of a packet recorded as containing 2,960 grams of mephedrone from his residence and, subsequently, a drum containing 107 litres of liquid from the company Apex Medichem. The applicant is alleged to have financed the activity and procured and distributed the manufactured substance through consignments sent from Aurangabad by courier. The original complaint was filed on 15th February, 2024 and the supplementary complaint on 9th May, 2025.

3. Learned Advocate for the applicant submits that the case rests principally upon inadmissible statements under Section 67 of Accused No.1. He argues that Accused no.1 initially referred to Jitendra Thakur as a supplier from Ahmedabad, but subsequently named the applicant and alleged supplies in the opposite direction. He submits that nothing was recovered from the applicant during the entire investigation. The payments made through Angadia Firms, even if accepted as alleged against the applicant, are not connected with manufacture of the seized contraband. The Learned Advocate also questions the procedure adopted by the Investigating agency about photograph identification which according to him is not recognised under the law. He further submits that investigation has completely failed to verify the sender's identity who allegedly send the consignment

and further more the non-recovery of the mobile handset allegedly used for communication also serious dent in the investigation case as it does not complete the evidential chain in a present case so as to involve the present applicant as financier of the manufacture of illicit drug. He relies upon the negative report concerning other chemical samples, the orders of bail granted to other persons, the applicant's age and medical ailments, completion of investigation and charge-sheet filed, and the police-clearance certificate obtained before his proposed holiday in Costa Rica as other grounds for his release on bail.

4. Learned Advocate for the respondent relying upon the written reply, submits that the applicant's role is supported by courier records, repeated cash remittances, identification by Angadia personnel and mobile-location data corresponding with parcel collection points. The respondent alleges use of the name Raju bhai by the applicant to conceal his identity and use of mobile numbers registered to other persons as one of the circumstance supporting the prosecution case of involvement of the present applicant in alleged crime. It further relies upon the applicant's alleged admissions and his signatures acknowledging earlier statements and Panchanama's. According to the respondent, the statements are corroborated admissions and can be considered

with the other evidence. The respondent also alleges non-cooperation, flight risk and possible interference with witnesses, and submits that the requirements of Section 37 of NDPS act are not satisfied.

5. Since the prosecution concerns commercial quantity and includes offence under Section 27-A of the Act, the rigors of Section 37 applies. According to section 37 of the Act, where the prosecution opposes release, the Court must be satisfied that there are reasonable grounds for believing that the applicant is not guilty of the alleged offence and that he is not likely to commit any similar offence while on bail. These conditions are cumulative. The statutory belief must arise from the facts and circumstances of the case and neither the gravity of the accusation nor the mere assertion of a defence answers that requirement. The assessment is provisional and does not demand a final finding of innocence. ***In Narcotics Control Bureau v. Mohit Aggarwal***, ***(2022) 18 SCC 374***, the Supreme Court emphasized consideration of independent circumstances notwithstanding the inadmissibility of confessional statements. In case of ***Union of India v. Vigin K. Varghese***, ***2025 SCC OnLine SC 2440***, likewise requires appraisal of the prosecution material and the rival contentions before recording satisfaction under Section 37 of the Act; it does not dispense with the rules

governing admissibility.

6. The respondent's submission that the applicant's self-inculpatory statement becomes admissible merely by describing it as an admission cannot be accepted. The alleged statement of knowingly financing, receiving and distributing mephedrone is confessional in substance. In the case of ***Tofan Singh v. State of Tamil Nadu***, ***(2021) 4 SCC 1***, the Hon'ble Apex Court has held that, the voluntary character of the statement does not remove the bar against its use as a confession. Nor can that bar be avoided by relying upon signatures obtained while confronting the applicant with earlier statements and Panchanama's. Corroboration by other piece of evidence also does not, by itself, make the confession admissible. Permission to question accused no.1 in judicial custody also does not convert the statement recorded by a DRI officer into a confession recorded by a Magistrate. Accordingly, the alleged confessional admissions of both accused persons needs to be kept aside. The assessment that follows concerns independently collected documents and the statements of persons describing transactions they handled are subject to proof at trial. One accused confession cannot be treated as independent corroboration of another's statement.

7. The scientific evidence in the nature of chemical analysers report does not support the submission of the Accused that every factory recovery of contraband has tested negative. Findings 21 and 36 of the CFSL report dated 18th January, 2024 record positive finding of drug mephedrone in U-Original and AI-Original, respectively. The inventory connects AI-Original with the liquid drum recovered from Apex Medichem. The negative results concerning other exhibits narrow the initial allegations, but do not eliminate this positive recovery from the premises connected with Accused no.1. It establishes the presence of mephedrone at the premises concerned, although the applicant's connection with that activity must be examined separately.

8. That connection is not sought to be established by the prosecution only through an accused statement as suggested by the learned counsel for the Applicant. The statement of witnesses Hasmukh Kumar Shankar Bhai Patel and Dignesh Kumar Mukund Bhai Patel describe repeated dealings with a person known as Raju bhai who deposited cash for remittance to Jitesh bhai (Accused no.1) at Aurangabad. They identify the applicant through the photograph shown to them by the investigating officer and refer to the sender's contact number. Their statements are supported by transaction details such as courier receipts and challans. No doubt,

photograph identification of the applicant is not conclusive, and the admitted absence of formal identity verification and another witness's inability to identify the applicant are relevant limitations to such identification. Nevertheless, witnesses describing prior dealings are not identifying a wholly unfamiliar person seen on a single occasion. Their evidence and the accompanying records cannot presently be discarded in their entirety. The allegedly unlawful manner of conducting the cash-transfer business does not itself prove the applicant's narcotic activity but equally does not make the records of the transactions worthless.

9. The courier and telecom evidence provides a further circumstance against the present applicant. Consignments booked by accused no.1 for delivery to Ahmedabad bear the receiver's name as Raju bhai. Paragraph 29.2 of the complaint identifies two numbers registered to the applicant and compares their locations with the other numbers appearing in the courier and Angadia records. It also sets out the location of mobile number 9714753388, registered to the applicant, in the Ramol area on eleven - twelve occasions when consignments arrived there. Telecom records and certification accompany the material relied upon. The relevance of this material lies in the repeated movement of the applicant's registered number towards the collection area on

the recorded arrival dates. When this is considered with the numbers and identity described in the financial and courier records and the statements of witness from the Angadia office, the chain of present applicant gets completed in the present offence. This connection does not depend solely upon the untraced handset or the confessions of the accused persons.

10. The limits of that correlation are important. Tower location does not precisely establish collection of a parcel or conclusively prove use of every number by the applicant. The courier witnesses did not open the parcels and cannot independently establish their contents. Cash remittances, standing alone, also do not establish a narcotic purpose. However, these circumstances must be considered together with the scientifically confirmed factory recovery, the independently recorded dispatches by accused no.1, the repeated location correspondence and the witnesses' identification arising from earlier financial dealings. The consignments were declared by the sender as food items and were dispatched without commercial invoices. The combined material prima facie indicates a continuing supply-and-payment arrangement between the applicant and accused no.1, whose associated premises yielded manufacturing of drug mephedrone. The applicant's alleged participation is thus

supported by circumstances beyond mere acquaintance or occasional telephone contact. The possibility of lawful pharmaceutical dealings has been considered, but the repeated collection-location pattern, identification arising from prior dealings, cash remittances and manner of dispatch, taken together, prevent the statutory belief that he was not involved. This inference is confined to bail and does not establish that every historical parcel contained mephedrone or that every remittance financed its manufacture.

11. Counsel rightly submits that every payment to a person dealing in narcotics does not amount to financing under Section 27-A. The prosecution must establish its connection with illicit activity. Nevertheless, participation in a continuing conspiracy need not be established only by tracing a particular remittance to manufacture of the very packet seized from the residence. The exact nature and purpose of the payments require evidence. The precise aggregate also requires reconciliation; overlapping branch figures and amounts concerning other senders cannot be added indiscriminately. The present conclusion rests upon the course of transactions and the accompanying circumstances, not an assumed correctness of every figure. No final finding on the distinct ingredients of Section 27-A is necessary at this stage. The

independent circumstances also support, the allegation of participation in the course of dealing concerning commercial quantity under Section 29 read with Section 22. Section 37 therefore does not depend solely upon the prosecution's use of the expression financing.

12. The change between accused no.1's first and subsequent statement is a legitimate defence argument. This Court does not resolve it by preferring one confession over the other. The present assessment rests on the independently collected material. Similarly, counsel's reliance upon the alleged use of part of the money to repay a debt does not establish the lawful character of the whole course of transactions. Absence of recovery from the applicant and his non-ownership of the premises are relevant but are not decisive where his alleged role concerns procurement, distribution and conspiracy. The respondent's assertion that all such considerations are irrelevant is therefore too broad; they have been considered with the other circumstances.

13. The earlier bail orders concern different positions. Accused Saurabh Gondhalekar's order dated 9th September, 2024 considered the anti-cancer correspondence and his absence of knowledge of accused no.1's activity; it did not proceed upon a negative result for the Apex liquid sample. Accused Shekhar

Pagar's order dated 25th October, 2024 considered his position as an employee and the issue of direct control over the affairs of the company. Accused Sandeep Kumawat's position was affected by negative scientific findings concerning the recovery from Shri Mahalaxmi Chemical Works and absence of other incriminating material. The distinct financial, courier and telecom circumstances concerning this applicant do not permit those reasons to be transferred to him merely because the investigation is common. Thus law of parity does not apply to the present applicant.

14. The applicant was already named in the original complaint. The record contains summons issued in January 2024 and postal material recording locked premises and an unclaimed return. These circumstances answer the assertion that no summons was issued, but do not conclusively establish actual receipt or deliberate evasion. His interception during proposed overseas travel is not proof of guilt, and the police-clearance certificate relied upon by counsel does not adjudicate this prosecution. The earlier Rajasthan charge was set aside by the order dated 26th September 2024 and is not treated as a conviction or proof of present involvement. Nor are the respondent's apprehensions of revival of a narcotic network accepted as established merely because they are asserted in the reply.

15. I have considered the applicant's age, medical complaints and custody since 12th March, 2025, extending to approximately nineteen months. I have also noted that the trial is not yet started and matter is pending for framing of charge. This delay is a matter of concern and requires a definite direction for expedition. The right to a reasonably prompt trial cannot be disregarded merely because Section 37 applies. On the material presently placed, however, the custody undergone and the anticipated duration of proceedings do not yet furnish an independent ground for release after having regard to the circumstances supporting the alleged role of the applicant. This assessment must remain open to reconsideration if the trial do not advance with reasonable expedition. Completion of investigation, by itself, does not resolve the statutory conditions. Medical necessity must be considered on current specialist evidence; the outpatient urology opinion cannot be treated as resolving every renal concern. On the independent circumstances cumulatively assessed, I am unable to record reasonable grounds for believing that the applicant is not guilty of the alleged offences involving commercial quantity. Since the first statutory condition is not satisfied and both conditions are cumulative, regular bail cannot be granted to the applicant. It is unnecessary to make a speculative

adverse finding on the likelihood of commission of another offence.

In the result, Application for bail of the applicant is rejected.

ORDER

a) Bail Application No.2077 of 2025 is rejected.

b) All observations are confined to bail, and the prosecution shall be decided independently on the evidence.

c) The applicant may seek appropriate relief upon a material change in circumstance.

d) The separate application on medical ground is disposed of by this order, with direction that Superintendent of the Prison shall ensure timely specialist assessment, treatment and any referral advised by the treating doctors to the applicant pertaining to his medical ailment without any delay.

e) Criminal Application No.1129 of 2026 is also disposed of.

(HITEN S. VENEGAVKAR)
JUDGE

Tandale