



**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD**

BAIL APPLICATION NO.1737 OF 2026

Avinash s/o Prabhakar Pathak,
Age: 55 years, Occ.: Govt. Service,
R/o: Hatte Nagar, Latur,
Taluka & District : Latur

....APPLICANT

VERSUS

The State of Maharashtra,
through the Office In-Charge,
Shivaji Nagar Police Station,
Taluka and District Beed

....RESPONDENT

...

Mr Rajendra Deshmukh, Senior Advocate a/w Mr Prasad Rajapurkar,
Advocate i/b Mr Vishal A. Chavan for Appellant;
Mr S. J. Salgare, APP for Respondent/State

CORAM : SUSHIL M. GHODESWAR, J.

DATE :- 14th October 2026.

Per Court :-

1. This is an application under Section 483 of the Bharatiya Nagarik Suraksha Sanhita, 2023, for grant of regular bail.

2. The applicant was the Collector of Beed District. On 07.05.2026, he came to be arrested in connection with Crime No. 544 of 2025, registered on 19.11.2025 at Shivaji Nagar Police Station, Taluka and District Beed, for the offences punishable under Sections 7 and 13 of the Prevention of Corruption Act, 1988; Sections 14 and 34 of the Arbitration and Conciliation Act,

1996; and Sections 318(4), 316(5), 338, 336(3), 304(2), 198, 199, 316(2), 61 and 351(4) of the Bharatiya Nyaya Sanhita, 2023.

3. The aforesaid crime came to be registered on the basis of the report lodged by Satish Vasant Dhumal, Deputy Collector (Land Acquisition). The main basis for lodging the FIR was the inquiry committee report constituted pursuant to the letter dated 13.11.2025 issued by the District Collector/Arbitrator, Beed. The report was submitted on 18.11.2025. It revealed alleged serious irregularities and large-scale fraud in land acquisition compensation proceedings, particularly those relating to National Highway projects. After the Land Acquisition Officer determines compensation under the National Highways Act, 1956, a landholder who is dissatisfied with the amount may seek enhancement by approaching the Arbitrator, who is the District Collector.

4. According to the prosecution, the arbitration proceedings were manipulated during the relevant period, particularly between 01.03.2025 and 17.04.2025. The applicant, who was then the District Collector, was transferred on 22.04.2025, and the new Collector assumed charge on 24.04.2025. It is alleged that several arbitration awards were

fraudulently prepared using backdated documents and by misusing the name, designation and signature of the applicant. The allegation is that these fabricated orders were prepared or issued after the applicant had ceased to be the District Collector and Arbitrator of Beed. The orders were processed through the Land Acquisition Coordination Branch, which was responsible for maintaining records and forwarding arbitration matters. It is further alleged that enhanced compensation was falsely shown as having been processed, notices were purportedly issued to the concerned parties, including the National Highways Authority of India (NHAI), and orders granting enhanced compensation were created without actual hearings or the presence of the parties.

5. It is alleged that the applicant worked as Collector-cum-Arbitrator at Beed from 28.06.2024 to 22.04.2025, and that the new Collector, Mr. Johnson, assumed charge on 24.04.2025. The inquiry reportedly revealed 154 cases involving alleged irregularities, including issuance of orders without outward numbers, use of backdated documents and passing of orders without conducting hearings. It is alleged that approximately 50 orders were shown as having been issued on 17.04.2025 alone, without the presence of the concerned parties. The compensation

amount was allegedly enhanced from Rs.68.58 crore to Rs.310.20 crore, out of which Rs.73 crore came to be disbursed. The inquiry committee found that purportedly fictitious arbitration proceedings had been generated and used to siphon off public funds, thereby misleading the competent authority and causing wrongful loss to the State exchequer.

6. During the inquiry, ten accused persons were initially identified as allegedly responsible for the fraudulent orders. The allegation against them is that, in furtherance of their common intention, they prepared forged documents, facilitated illegal disbursement of compensation amounts and received commission from the misappropriated funds, thereby embezzling a substantial amount of public money.

7. The present Collector, Mr. Johnson, reportedly noticed several orders in arbitration petitions that did not bear outward numbers and carried the signature of the earlier Collector, namely, the present applicant. The irregularities were noticed after a period of three to four months. He, therefore, directed constitution of a fact-finding committee to conduct a detailed inquiry by letter dated 13.11.2025. The committee submitted its report on 18.11.2025. The report found 154 such

orders in arbitration proceedings from March 2025 to 17.04.2025, during the applicant's tenure, which were alleged to be forged and fabricated. It was reported that no hearings had taken place in those matters and that the orders had not been received from the concerned branch for three to five months.

8. According to the statements made by certain employees, after the transfer of the applicant, the co-accused, namely, Sanjay Hange, Avinash Chavan and contractual data operator Shaikh Azhar used to take files out of the branch, prepare orders and submit the files after three to four months. Sanjay Hange, who was transferred in May, is alleged to have conspired with Avinash Chavan and Shaikh Azhar to remove files and prepare forged records. The records allegedly do not correspond with the entries in the inward register maintained at the Collector's office. The committee concluded that forged and fabricated records had been prepared and that substantial amount had been misappropriated. The compensation amount was allegedly enhanced from approximately Rs.68 crore to Rs.310 crore, out of which Rs.73 crore came to be disbursed.

9. On the basis of the committee's findings, the informant lodged the report on 19.11.2025, leading to registration

of Crime No. 544 of 2025 at Shivaji Nagar Police Station, Beed. The crime was initially registered against ten accused persons, namely, Sanjay Narayan Hange, Pandurang Tatyasaheb Patil, Deepak Achyutrao Raut, Avinash Nanabhau Chavan, Shaikh Azhar Shaikh Babu, Trimbak Bhanudas Pingale, Adv. S. M. Nannaware, Subhash Guruling Pisure, Pravin Bhagwanrao Rakh and Mrigesh Dinkarrao Narwadkar. After completion of investigation, the investigating officer filed the charge-sheet against the said accused persons on 16.01.2026.

10. During the investigation, the applicant was called for inquiry by the investigating officer, namely, the Sub-Divisional Police Officer, Beed, on 02.01.2026. The applicant appeared before the investigating officer and was provided with a questionnaire. He replied in detail, explaining the arbitration awards as well as his duties as Arbitrator.

11. According to the applicant, accused Sanjay Hange, a Revenue Officer, was known to him because the applicant was the District Collector at Beed and Hange was serving as a Senior Clerk in the office of the Deputy Collector (Land Acquisition), Beed. Hange used to handle the arbitration files and was also the President of the Employees' Association at Beed. It is the

applicant's case that, as the Deputy Collector (Land Acquisition), Beed, Satish Dhumal, was preoccupied with his pending Writ Petition No. 5788 of 2022 before the principal seat of this Court, Hange was handling the arbitration files. The applicant also gave a detailed statement to the investigating officer, which forms part of the charge-sheet. However, on 07.05.2026, the applicant came to be arrested from his residence at Latur. He was produced before the Sessions Judge, Latur, on the same day, and a transit remand warrant was granted at 7:30 p.m. On 08.05.2026, he was produced before the learned Additional Sessions Judge, Beed, who granted police custody remand until 15.05.2026. On 15.05.2026, he was remanded to magisterial custody, and he continues to remain in custody.

12. As the applicant was arrayed as an accused in Crime No. 544 of 2025, he came to be suspended from government service with effect from 07.05.2026 by Government Order dated 20.05.2026. On 16.05.2026, the applicant applied for bail before the learned Additional Sessions Judge, Beed. After hearing both sides, the learned Additional Sessions Judge rejected the application for regular bail by order dated 06.06.2026.

13. Thereafter, the applicant approached this Court by filing an application under Section 483 of the BNSS for grant of regular bail, registered as Bail Application No. 1122 of 2026 on 09.06.2026. During the pendency of that application, the prosecution stated that the investigating officer was in the process of filing the supplementary charge-sheet against the applicant. In view of that submission, this Court expressed disinclination to grant relief at that stage, and the applicant was permitted to withdraw the application, with liberty to file a fresh bail application after the supplementary charge-sheet was filed.

14. After completion of the investigation against the applicant and Lahu Pandurang Galgunde, the investigating officer filed the supplementary charge-sheet on 03.08.2026 in Crime No. 544 of 2025. In view of the liberty granted by this Court, the applicant has filed the present Bail Application No. 1737 of 2026.

15. After filing of the supplementary charge-sheet, there are twelve accused persons in the case. It appears from the record that accused Sanjay Narayan Hange, Revenue Officer and an alleged principal accused, remains in custody, and his bail application was rejected by this Court on 31.07.2026. The other

accused persons alleged to be involved in the crime have been granted regular or anticipatory bail. Accused No.8, Pandurang Tatyasaheb Hagar Patil, whose anticipatory bail application was rejected by order dated 23.07.2026, is reportedly absconding. Accused No. 11, Lahu Galgunde, District Treasury Officer, whose anticipatory bail application is pending before the Sessions Court, Beed, is also reportedly absconding.

16. Heard the learned Senior Advocate Mr. Deshmukh at length. According to him, the applicant was arrested on 07.05.2026 and has remained in custody for more than five months. The supplementary charge-sheet has also been filed against the applicant. He submitted that the applicant fully cooperated with the investigation and that all documents pertaining to the crime have been seized by the investigating officer. There are approximately 100 witnesses in the case, and the trial will take its own time to conclude. Until then, the applicant cannot be kept behind bars. It was further submitted that the applicant has already been suspended from government service and is no longer posted at Beed, having been transferred to another district before his suspension. Keeping him in custody for an indefinite period would, according to learned Senior

Counsel, be unwarranted and would violate Article 21 of the Constitution of India.

17. The learned Senior Counsel further submitted that, despite a detailed investigation, no material has been recovered from the applicant to show that he obtained any pecuniary benefit from the alleged misappropriation of funds. He submitted that the FIR, the charge-sheet and the supplementary charge-sheet, even if taken at face value and accepted in their entirety, do not prima facie constitute any offence or make out a case against the applicant. According to him, the prosecution has not brought out any active role played by the applicant, even in the supplementary charge-sheet. The applicant performed his duties in accordance with law as an IAS officer and quasi-judicial authority.

18. It was further submitted that, although the prosecution seeks to rely on call-detail records and communications in the crime, the recordings are between co-accused persons, and no incriminating conversation involving the applicant has been identified. The applicant has been in service for more than twenty years and has held various posts during his service career, and his work has been appreciated by the

Government of Maharashtra. The learned Senior Counsel submitted that searches at the applicant's residences did not yield any incriminating material. The prosecution has also seized the applicant's mobile phones and laptops, but no incriminating material has been found in them so far.

19. The learned Senior Counsel submitted that the prosecution relies on calls made by co-accused Hange to other accused persons, but there is no call made by the applicant to Hange or the other accused persons. The prosecution also alleges that the co-accused used to visit Latur, the applicant's hometown, and meet him on Saturdays and Sundays, when the allegedly backdated orders were signed by the applicant. However, Mr. Deshmukh submitted that the co-accused were employees of the Collectorate at Beed and that their children were studying in Latur, which is known as an educational hub. They, therefore, used to visit Latur on Saturdays and Sundays to meet their children. The applicant also used to be in Latur on weekends, as it is his hometown. Their presence in Latur on holidays is being treated as evidence of meetings between the applicant and the co-accused. This allegation is incorrect. The co-accused, being officers and employees of the Collectorate at Beed, were known

to the applicant, and even if he had occasion to meet them, that circumstance by itself could not lead to a presumption that he was involved in the alleged racket. The learned Senior Counsel reiterated that the investigation against the applicant is complete, as he has been in custody for more than five months, and there is no reason to keep him in custody indefinitely when the trial is not likely to conclude in the near future.

20. The learned senior counsel further submitted that Section 338 of the BNS, stated to correspond to Section 467 of the Indian Penal Code, 1860, and Section 316(5) of the BNS, stated to correspond to Section 409 of the IPC, cannot be invoked against the applicant, who was acting as Arbitrator at the relevant time. He submitted that an arbitration award passed by a statutory Arbitrator under the National Highways Act, 1956, cannot be considered a “valuable security” so as to attract Section 338 of the BNS. He referred to the definition of “valuable security” under Section 30 of the IPC, which refers to a document that creates, extends, transfers, restricts, extinguishes or releases a legal right, or by which a person acknowledges a legal liability or the absence of a certain legal right. The learned Senior Counsel relied on the judgment in *Charu Chandra Ghose v. King-*

Emperor, 1923 SCC OnLine Cal 102, to submit that a decree passed by a civil court cannot be said to fall within the definition of “valuable security”.

21. As regards Section 316(5) of the BNS, the learned Senior Counsel submitted that the essential requirement of the corresponding offence under Section 409 of the IPC is entrustment of property or dominion over property to the accused in the relevant capacity. He relied on *Kailash Kumar Sanwatia v. State of Bihar, (2003) 7 SCC 399*, in which the Supreme Court observed that entrustment is a necessary ingredient of the offence of criminal breach of trust.

22. The learned Senior Counsel further submitted that cheating and criminal breach of trust cannot be simultaneously alleged against an accused in the circumstances of this case. In this regard, he relied on *Delhi Race Club (1940) Ltd. v. State of Uttar Pradesh, (2024) 10 SCC 690*. According to him, the foundational ingredient of entrustment is absent and, therefore, the offence of criminal breach of trust is not made out. He submitted that, as the major offences alleged against the applicant are not attracted, he deserves to be enlarged on bail.

23. *Per contra*, the learned APP Mr. Salgare vehemently opposed the application. He submitted that the applicant is a principal accused in the crime and that the alleged misappropriation could not have been carried out without his signatures on the orders. According to the prosecution, the applicant was found to be in contact with the co-accused, and the material sufficiently establishes that he signed the orders when he was no longer holding the post of Collector-cum-Arbitrator. The documents allegedly establish that the applicant signed the orders with backdated entries and that he is, therefore, a main culprit in the crime.

24. The learned APP further submitted that two accused persons are still absconding and have not yet been arrested. The prosecution has also forwarded the charge-sheet for obtaining the requisite sanction to prosecute the applicant in accordance with law. He submitted that, as sanction is awaited and the two accused persons are yet to be arrested, the applicant should not be released on bail. He further submitted that a huge loss has been caused to the government exchequer and that public money has been siphoned off by the accused persons.

25. The learned APP submitted that, although the applicant was no longer serving as Collector-cum-Arbitrator at the relevant time, he allegedly signed the orders retrospectively to make it appear that they had been passed during his tenure. The clerks working in the office of the Land Acquisition Collector, Beed, were allegedly in continuous contact with the applicant. The learned APP also referred to communications and call recordings between co-accused persons, which allegedly refer to the applicant, and submitted that these establish that the applicant is one of the principal accused. He, therefore, prayed for rejection of the bail application.

26. The rival submissions advanced on behalf of the applicant and the prosecution have been considered. I have also gone through the material placed on record, including the allegations levelled against the applicant and the role attributed to him in the alleged crime.

27. There can be no dispute that the allegations levelled against the applicant are serious in nature. The prosecution alleges that several arbitration awards were fabricated and that, on the basis of such awards, substantial amounts towards enhanced compensation came to be disbursed, thereby causing

loss to the State exchequer. The specific allegation against the applicant is that, though he had ceased to hold the office of Collector-cum-Arbitrator, he signed certain orders retrospectively to make it appear that the same had been passed during his tenure. The allegations, therefore, cannot be brushed aside lightly. However, while considering an application for bail, the seriousness of the allegations is only one of the relevant considerations and the Court is also required to consider the period of custody, the stage of investigation, the nature of the evidence, the possibility of tampering with the evidence and the likelihood of the trial concluding within a reasonable period.

28. In the present case, the applicant came to be arrested on 07.05.2026. The supplementary charge-sheet against him came to be filed on 03.08.2026. Thus, the investigation against the applicant, as stated by the prosecution, has been completed and the material collected during the investigation has been placed before the competent Court. The prosecution case substantially rests upon the arbitration records, official documents and other material collected during the investigation. It is also pointed out that the prosecution proposes to examine approximately 100 witnesses. Having regard to the nature of the

case and the number of witnesses, the trial is likely to take considerable time to conclude. In these circumstances, the continued detention of the applicant till the conclusion of the trial would require strong justification.

29. The learned APP has strongly opposed the application by relying upon the alleged signatures on the arbitration orders by the applicant as well as communications between the co-accused persons. The learned APP has also relied the opinion of the handwriting expert, according to which the signatures appearing on the disputed arbitration orders tally with the specimen signatures of the applicant. The said opinion is relevant circumstance which lends support to the prosecution's allegation regarding the applicant's signatures on the disputed orders. However, at the same time, the opinion regarding the identity of the signatures does not conclusively establish the circumstances in which the signatures came to be affixed and the dates on which the orders were actually prepared or signed. Those aspects will have to be assessed in the light of the other material collected during the investigation. The said opinion, however, is required to be considered at the time of trial along with other allegations, namely, the alleged backdating of the

orders, the applicant's transfer from the post of Collector-cum-Arbitrator, the alleged absence of actual hearings and the subsequent disbursement of enhanced compensation. For the purpose of the present application, the said opinion is neither being disregarded nor treated as conclusive of the applicant's involvement.

30. The applicant has disputed his involvement and has contended that no material indicating any pecuniary benefit to him has been recovered during the investigation. It is also his contention that no incriminating conversation involving him has been brought on record by the prosecution, but it is the conversation between other co-accused, which needs to be proved in trial. It is specifically contended by the applicant that there is no evidence brought on record by the prosecution that the applicant, by passing such orders in arbitration proceedings, has acquired huge wealth or there is complaint filed against him for disproportionate asset. There is also no material to suggest that by passing the orders in arbitration proceedings by the applicant, huge, excessive and exorbitant rates came to be granted to the claimants than prevailing one. However, though there are allegations and strong material as regards the antedated orders

being allegedly signed and passed by the applicant, but same requires to be proved by the prosecution during trial. At this stage, it would not be appropriate to undertake a detailed appreciation of the evidence or to record any conclusive finding regarding the genuineness of the disputed documents or the involvement of the applicant. Those are matters which will have to be considered by the learned Trial Court on the basis of the evidence adduced during the trial.

31. It is also relevant to note that the applicant has already been suspended from government service and is no longer exercising the powers of Collector-cum-Arbitrator. The prosecution has not pointed out any specific instance, after the arrest of the applicant, showing that he has attempted to tamper with the evidence or influence any witness.

32. The fact that some of the co-accused have been granted bail is also relevant circumstance, though the entitlement of the applicant to bail has to be considered on the basis of the role attributed to him and the material collected against him. The learned APP has expressed apprehension that since the applicant is the Collector and if he is released on bail, he may influence or tamper the evidence and witnesses. However, this apprehension

can be taken care of by imposing appropriate and stringent conditions while enlarging the applicant on bail.

33. The learned APP has also opposed the application on the ground that the requisite sanction for prosecution of the applicant is awaited. In my considered view, the said circumstance cannot be ground to deny bail to the applicant. The requirement of sanction, wherever applicable, has its own significance in law and must be considered at the appropriate stage in accordance with the relevant statutory provisions. However, the pendency of the sanction process does not justify the continued incarceration of an accused when the other relevant considerations governing the grant of bail favour his release. The question of sanction is distinct from the question as to whether the applicant is required to be kept in custody pending trial. Therefore, merely because the sanction has not yet been granted, the applicant cannot be denied bail on that ground alone.

34. The submission of the learned APP that two co-accused persons are absconding also does not furnish sufficient ground to reject the present application. The conduct of the other accused persons cannot automatically be attributed to the applicant. At the same time, having regard to the nature of the

allegations and the position held by the applicant during the relevant period, it would be necessary to impose stringent conditions to ensure that he remains available for the trial, does not interfere with the prosecution evidence and does not attempt to influence any of the witnesses.

35. At this juncture, it would be apposite to refer to the decision of the Hon'ble Supreme Court in **Sanjay Badaya v. State of Rajasthan, 2026 INSC 1065**, decided on 29 September 2026. In the said case, while dealing with allegations of corruption, conspiracy and financial irregularities as in the present case, the Hon'ble Supreme Court took into consideration that the investigation against the appellants therein was complete, the charge-sheets had been filed, the prosecution case substantially rested upon documentary and electronic evidence already seized and secured by the investigating agency, and the trial was likely to be protracted. The Hon'ble Supreme Court also took note of the fact that two accused persons were absconding and that the question of sanction for prosecution of certain co-accused public servants had arisen, yet held that the appellants could not be kept in pre-trial custody indefinitely when the commencement and conclusion of the trial were not imminent.

The said case is based on voluminous evidence and more than 100 witnesses are to be examined. The Hon'ble Supreme Court reiterated the settled principle that pre-trial incarceration cannot be permitted to assume the character of punitive detention, particularly when the commencement and conclusion of the trial are not imminent. The right to personal liberty guaranteed under Article 21 of the Constitution of India requires the Court to consider whether further detention is justified in the circumstances of the case.

36. The principles laid down in the aforesaid decision are applicable to the present case as well, having regard to the material similarities in the circumstances governing the prayer for bail. In *Sanjay Badaya* (supra), the Hon'ble Supreme Court took note of the fact that the investigation against the appellants therein was complete, the charge-sheets had been filed, the prosecution case predominantly rested upon documentary records and electronic trails already seized and secured by the investigating agency, and the trial was likely to be protracted on account of the voluminous evidence. In the present case also, the supplementary charge-sheet against the applicant has already been filed, the relevant documentary material is stated to have

been collected during the investigation, and approximately 100 witnesses are proposed to be examined. In both cases, two co-accused persons are absconding, and the trial is not likely to conclude in the near future. Though the procedural position regarding sanction for prosecution is not identical, the pendency of sanction in the present case, by itself, cannot justify continued incarceration. The prosecution also relies upon the opinion of the handwriting expert regarding the signatures appearing on the disputed orders. However, the evidentiary value of the said opinion and the circumstances in which the orders were prepared and signed are matters to be assessed during trial. In *Sanjay Badaya* (supra), the Hon'ble Supreme Court held that where the investigation against the appellants was complete, the evidence was secured and the trial was not likely to conclude in the near future, continued pre-trial incarceration would not serve any fruitful purpose and the right to personal liberty under Article 21 of the Constitution of India required due consideration. Applying the aforesaid principles to the facts of the present case, and having regard to the period of custody undergone by the applicant, the completion of investigation against him and the likelihood of a protracted trial, I am of the view that his further incarceration is not warranted. The apprehensions expressed by

the prosecution can be addressed by imposing appropriate and stringent conditions.

37. Having regard to the totality of the circumstances, namely, the period of custody undergone by the applicant, the filing of the supplementary charge-sheet, the nature of the evidence collected during the investigation, the likelihood of the trial taking considerable time, the suspension of the applicant from service and the principles laid down by the Hon'ble Supreme Court in Sanjay Badaya (supra), I am of the considered view that the applicant has made out a case for grant of regular bail. In the result, the following order is passed:

ORDER

- (a) The Bail Application is allowed.
- (b) The applicant, who is arrested in connection with Crime No. 544 of 2025 registered with Shivaji Nagar Police Station, Taluka and District Beed, shall be released on bail on furnishing a personal bond of Rs.1,00,000/- (Rupees One Lakh only) with two solvent sureties in the like amount, subject to the satisfaction of the learned Trial Court.

(c) The applicant shall attend the proceedings before the learned Trial Court on every date, unless his personal attendance is specifically exempted by the Court.

(d) The applicant shall not, directly or indirectly, make any inducement, threat or promise to any person acquainted with the facts of the case, so as to dissuade such person from disclosing the facts to the Court or to any police officer.

(e) The applicant shall not tamper with the prosecution evidence or attempt to influence any of the prosecution witnesses in any manner.

(f) The applicant shall not enter the offices of the Collector, Beed, or the Land Acquisition Branch concerned with the present crime, except with prior permission of the learned Trial Court or when required by a competent authority for a lawful purpose. He shall not access, remove, alter or interfere with any official record relating to the present crime.

(g) The applicant shall furnish his current residential address and mobile telephone number to the investigating officer and the learned Trial Court. He shall keep the Trial Court and the

Investigating Officer informed of any change in his address or contact details.

(h) The applicant shall not leave India without prior permission of the learned Trial Court and shall surrender his passport, if any, before the learned Trial Court while completing bail formalities.

(i) The applicant shall cooperate with any further investigation undertaken in accordance with the procedure established by law and shall remain present before the investigating officer whenever his attendance is required.

(j) In the event of breach of any of the aforesaid conditions, the prosecution shall be at liberty to seek cancellation of bail in accordance with law.

(k) It is clarified that the observations made in this order are confined to the adjudication of the present bail application and shall not be construed as an expression of opinion on the merits of the case.