

ORDER SHEET
 IN THE HIGH COURT OF SINDH BENCH AT SUKKUR
Crl. Bail Application No. D-77 of 2026

DATE OF HEARING	ORDER WITH SIGNATURE OF JUDGE
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Before;

Adnan-ul-Karim Memon, J;
Abdul Hamid Bhurgari, J;

Applicant	Nasrullah, through Mr. Qurban Ali Malano, advocate.
The State	Through Mr. Mujeeb-ur-Rehman Soomro, Special Prosecutor, NAB. Syed Naveed Ali Shah, Deputy Attorney General, Pakistan.

Date of hearing and order: 02-06-2026.

ORDER.

Adnan-ul-Karim Memon J:- Applicant Nasrullah Chandio seeks post-arrest bail, who has been booked in NAB Reference No. 01/2025 (Re- Nasrullah Chandio and others Vs NAB), pending trial before the Accountability Court, Sukkur.

2. As per the NAB Reference, an inquiry was initiated on allegations of large-scale misappropriation of Government wheat stock for the crop year 2022-23 at various Wheat Procurement Centres (WPCs) and Procurement Release Centres (PRCs) in District Qambar-Shahdadkot. During the investigation, physical verification of wheat stocks allegedly revealed substantial shortages compared to the stock position recorded in Daily Report-I (DR-I). It is alleged that Food Department officials misappropriated Government wheat stock, while private contractors/accused, received advance payments but failed to supply wheat. Consequently, the Government allegedly suffered a loss of approximately Rs. 5.745 billion, leading to the filing of the subject NAB Reference against them. Before his arrest, the applicant sought pre-arrest bail, which the learned Accountability Court declined, Sukkur, vide order dated 13.01.2026.

Thereafter, his post-arrest bail application was also dismissed by the same Court through an order dated 21.02.2026. The reasoning of the learned Accountability Court, Sukkur, while dismissing the applicant's post-arrest bail application on the ground that, being Deputy Director Food, Larkana Region during crop year 2022-23, he was responsible under the Wheat Procurement Policy to ensure transparent procurement and prevent unauthorized advance payments. The Accountability Court observed that, despite a clear prohibition against advance payments, substantial payments were allegedly released without receipt of wheat stock, resulting in a loss of approximately Rs. 5.745 billion to the State. The Accountability Court held that the applicant failed to report or prevent such violations and, under the procurement policy, was equally and severally liable along with other concerned officials. Besides, the Court further held that the rule of consistency was inapplicable as the applicant's role and responsibilities were distinguishable from those of the co-accused who had been granted bail. Consequently, finding no case for further inquiry or grant of bail, the application was dismissed.

3. Learned counsel for the applicant submits that the applicant is a government servant serving as Deputy Director of Food, Government of Sindh, and has falsely been implicated in the present NAB Reference on account of his supervisory position. He contends that no material has been brought on record showing that the applicant received any pecuniary benefit, misappropriated wheat stock, authorized any illegal advance payment, or accumulated assets beyond his known sources of income. The allegations against him are based solely on an alleged failure of supervision, which, at the highest, may constitute an administrative lapse and not an offence under the National Accountability Ordinance, 1999. Learned counsel further argues that the applicant himself acted as a whistle-blower and, long before initiation of the NAB inquiry, submitted a comprehensive report dated 06.09.2023 to the Director Food, Sindh, highlighting mismanagement, irregularities, and misappropriation of wheat stock by the then District Food Controller and Centre Incharges of District Qambar-Shahdadkot. The said report was subsequently forwarded by the Director of Food to the Secretary, Food

Department, thereby corroborating the applicant's bona fide conduct and negating any element of mens rea on his part. It is contended that the record reflects that the applicant repeatedly issued directions to subordinate officers for proper procurement, maintenance, and reconciliation of wheat stocks, but the same were ignored by the concerned officials. The actual custodians of the wheat stock, who allegedly had physical possession and control thereof, have already been granted bail; therefore, on the principle of consistency, the applicant, whose role is purely supervisory in nature, is also entitled to the concession of bail. Learned counsel maintains that NAB has failed to establish any shortage of wheat or illegal advance payment through independent verification. Even the prosecution material, allegedly showing stock discrepancies, was never physically verified by the Investigating Officer. Consequently, the case requires a deeper appreciation of evidence and falls within the ambit of further inquiry. It is further submitted that the investigation has already been completed and the reference has been filed before the Accountability Court. The entire case rests upon documentary evidence already in the custody of the prosecution; therefore, no useful purpose would be served by keeping the applicant behind bars. Continued incarceration would amount to punishment before conviction and would offend the guarantee of due process and fair trial enshrined in Article 10-A of the Constitution. In support of his contentions, learned counsel places reliance upon the cases of *Asif Ali Zardari v. The State* (2020 SCMR 235) and *Talat Ishaq v. NAB* (2019 SCMR 1978), and submits that where no personal gain is attributed to the accused and the alleged role is merely supervisory, the matter calls for further inquiry and the accused is entitled to the concession of bail.

4. Learned Special Prosecutor NAB opposed the grant of post-arrest bail and contended that sufficient documentary evidence had been collected during the investigation connecting the applicant with the commission of the alleged offence. He submitted that the applicant has failed to make out a case for further inquiry and, therefore, is not entitled to the concession of bail. The learned prosecutor argued that the case originated from a source report regarding large-scale misappropriation of Government wheat stock

for the crop year 2022-23 at various procurement and storage centres in District Qambar-Shahdadkot. He submitted that during the inquiry, physical verification of wheat stocks was conducted in the presence of Judicial Magistrates, whereby the stock shown in official records was compared with the stock available at the sites, and substantial shortages were detected. He added that upon completion of the inquiry and investigation, the Reference was filed against the accused persons. It was further submitted that the applicant remained posted as Deputy Director Food, Larkana Region, during the relevant period and was responsible for ensuring implementation of the Wheat Procurement Policy, 2022-23. He argued that despite clear policy instructions prohibiting advance payments without receipt of wheat stock, huge advance payments were allegedly made by Centre Incharges. He emphasised that the applicant, being the supervisory officer, failed to prevent such irregularities, failed to report them to higher authorities promptly, and thereby aided and abetted the misappropriation of Government wheat stock, causing a loss to the national exchequer amounting to Rs. 5.745 billion. Learned Prosecutor contended that the report dated 06.09.2023, relied upon by the applicant, was prepared subsequently in an attempt to shield himself and other co-accused persons from criminal liability and cannot absolve him of his statutory responsibilities under the procurement policy. According to the prosecution, the applicant neither took effective steps to protect Government interests nor ensured compliance with procurement guidelines by subordinate officers. It was argued that the role of the present applicant is distinct from that of the co-accused, who has already been granted bail; therefore, the principle of consistency is not attracted in the present case. The applicant, being a senior supervisory officer, bears independent responsibility under the procurement policy, which specifically provides that the Deputy Director of Food, District Food Controller, and Centre In-Charge shall be equally and severally liable in cases involving unauthorized advance payments. Learned Prosecutor further submitted that the investigation has unearthed concrete and tangible documentary evidence establishing the applicant's involvement in corruption and corrupt practices punishable under Sections 9(a)(iii) and 9(a)(xii) of the National Accountability

Ordinance, 1999. The filing of the Reference does not dilute the allegations against the applicant, and the mere fact that the case rests upon documentary evidence does not entitle him to bail. In conclusion, the learned Prosecutor maintained that reasonable grounds exist to believe that the applicant committed the offences alleged in the Reference, that the case does not call for further inquiry, and that the bail application is liable to be dismissed.

5. Learned DAG is of the same view as suggested by the Special prosecutor NAB and prayed for dismissal of the bail application. However, he submitted that Post-arrest bail in accountability cases may be refused where sufficient material tentatively connects the accused with the alleged offence. He relied upon the cases reported as 2024 SCMR 1071 (Muhammad Atif Vs The State and another), 2016 P.Cr.L.J 1417 [Sindh] (Muhammad Azam Brohi and others Vs The State through Chamran National Accountability Bureau and others, 2017 SCMR 1152 (Rai Muhammad Khan Vs Nab through Chairman and others) and unreported Orders of Muhammad Iqbal Memon Vs The State (Cr. Bail Application No.D-263/2021), Rafique Ahmed Vs. The Sate Through DG NAB Sukkur (Bail Application No.D-71 of 2022) and Anees-ur-Rehman Vs Thr State through The Director General National Accountablity Buereu Region Office Sukkur (Crl. Bail Application No. D-270 of year 2021).

6. We have heard the learned counsel for the parties and perused the record with their assistance and case law cited at the bar.

7. As per the NAB Reference, a source report was received alleging large-scale misappropriation of Government wheat stock about crop year 2022-23 at various Wheat Procurement Centres (WPCs) and Procurement Release Centres (PRCs) situated in District Qambar-Shahdadkot. Upon authorization of an inquiry, which was subsequently converted into an investigation, physical verification of wheat stocks was conducted in the presence of Judicial Magistrates and officials of the Food Department. The verification allegedly revealed substantial shortages of wheat stock at several storage centres when compared with the stock position reflected in the official Daily Report-I (DR-I) records. The

prosecution alleges that the accused Nos. 3 to 17, being Centre Incharges and officials of the Food Department, misappropriated Government wheat stock, while accused Nos. 18 to 21, being private persons, received advance payments but failed to supply wheat stock to the Government. As a result, the Government allegedly suffered a loss of approximately Rs. 5.745 billion, including financial liabilities arising from bank financing obtained for wheat procurement.

8. So far as the present applicant is concerned, it is alleged that he remained posted as Deputy Director of Food, Larkana Region, during the relevant period and was responsible for supervising the wheat procurement process. According to NAB, the Wheat Procurement Policy for crop year 2022-23 expressly prohibited advance payments without receipt of wheat stock and further provided that, in the event of such malpractice, the Deputy Director Food, District Food Controller, and Centre In-Charge would be held jointly and severally responsible. The allegation against the applicant is that, despite clear policy guidelines, substantial advance payments were made by Centre Incharges without receipt of wheat stock. The applicant allegedly failed to supervise the procurement process in a transparent manner, failed to detect and report such irregularities to higher authorities in time, and thereby aided and abetted the misappropriation of Government wheat stock. NAB maintains that his omission and failure to perform his supervisory responsibilities facilitated the commission of the offence and contributed to the loss caused to the national exchequer.

9. Based on the material collected during investigation, NAB has alleged that the applicant, along with other accused persons, committed offences of corruption and corrupt practices within the meaning of Sections 9(a)(iii) and 9(a)(xii), punishable under Section 10 of the National Accountability Ordinance, 1999, and accordingly reference has been filed before the Accountability Court for trial of the accused as disclosed in the NAB Reference.

10. Having tentatively examined the material available on record, it appears that the case against the present applicant primarily rests upon his alleged failure to supervise the procurement and

storage process of wheat during crop year 2022-23. Admittedly, the applicant is not alleged to be the actual custodian of the wheat stock, nor is it the prosecution's case that any shortage was recovered from his possession. Likewise, no material has been pointed out at this stage showing that the applicant personally received any illegal gratification, derived any pecuniary benefit, accumulated assets beyond his known sources of income, or directly participated in the alleged misappropriation of wheat stock.

11. The record further reflects that the allegation against the applicant is founded upon his supervisory position as Deputy Director of Food, Larkana Region. Whether the alleged omission on his part amounts to criminal misconduct within the contemplation of Sections 9(a)(iii) and 9(a)(xii) of the National Accountability Ordinance, 1999, or merely constitutes administrative negligence and departmental lapse, is a question requiring a deeper appreciation of evidence, which can only be undertaken during trial. At the bail stage, the Court is not expected to conduct a detailed examination of the evidence to prejudge the merits of the case.

12. It is also significant that the applicant relies upon a report dated 06.09.2023, allegedly submitted by him to the Director of Food, Sindh, highlighting irregularities and mismanagement in the procurement process. Although the prosecution disputes the authenticity and bona fides of the said report, the existence, evidentiary value, and legal effect thereof can only be determined after recording evidence during trial. At this stage, the said circumstance creates a debatable question regarding the extent of the applicant's involvement and knowledge of the alleged offence.

13. Another important aspect of the case is that the actual custodians and Centre Incharges, against whom direct allegations of physical misappropriation of wheat stock have been levelled, have admittedly been granted bail. While the prosecution seeks to distinguish the role of the present applicant on the ground of supervisory responsibility, the fact remains that the principal allegations regarding physical custody, handling, and the alleged

disappearance of wheat stock are attributed to other accused persons. Therefore, the question whether the applicant's role is distinguishable to such an extent as to justify his continued incarceration is itself a matter requiring further probe.

14. It is also an admitted position that the investigation has been completed and a reference has already been filed before the Accountability Court. The entire prosecution case is based upon documentary evidence, which is already in possession of the prosecution. No useful purpose appears to be served by further detention of the applicant, particularly when his presence at trial can be secured through appropriate conditions. The object of detention before conviction is not punitive but only to ensure fair investigation and attendance of the accused during trial.

15. It is a settled principle of law that bail is not to be withheld as a measure of punishment. The constitutional guarantee of liberty and fair trial embodied in Articles 9 and 10-A of the Constitution requires that where the guilt of an accused calls for further inquiry, and his continued custody is no longer necessary for investigation, the concession of bail should ordinarily be extended. Reference may be made to the principles laid down by the Supreme Court in the case of Asif Ali Zardari and Talat Ishaq, as discussed supra, wherein it was observed that cases lacking evidence of personal gain and involving questions requiring deeper examination may attract the rule of further inquiry.

16. The grounds /allegations raised by the learned Special Prosecutor NAB requires deeper appreciation cannot be undertaken at the bail stage. The case law cited cannot be helpful at the bail stage for the reasons discussed in the preceding paragraphs.

17. For the foregoing reasons, and without expressing any opinion on the merits of the case which may prejudice either side at trial, this Court is of the tentative view that the case of the applicant falls within the ambit of further inquiry. Consequently, the instant bail application is allowed, and the applicant is admitted to post-arrest bail in NAB Reference No. 01/2025, subject to his furnishing solvent surety in the sum of Rs. Two Million and

P.R. bond in the like amount to the satisfaction of the learned trial Court. However, the applicant shall surrender his passport (if any) before the learned trial Court and his further travel movements to abroad shall be regulated by the trial Court

18. The observations made herein are purely tentative in nature and shall not influence the learned trial Court while deciding the case on its own merits and in accordance with law.

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Nasim/P.A