

ORDER SHEET
IN THE HIGH COURT OF SINDH, KARACHI
C. P. No. D - 757 of 2025

Date	Order with signature of Judge
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- 1) For orders on office objection No. 01.
- 2) For hearing of Misc. No. 4050/2025.
- 3) For hearing of main case.

27.02.2025.

M/s. Imran Iqbal Khan and Aneel Zia, Advocates for Petitioner.
Mr. Kashif Nazeer, Assistant Attorney General.

Pursuant to issuance of notice Mr. Sardar Zafar Hussain, advocate has affected appearance on behalf of Respondent and submits that Respondent No. 3 has acted upon the request of Respondent No. 2 by suspending the License of the Petitioner as according to the said Respondent No. 2 an FIR has been lodged upon detection of some fiscal fraud. It is further informed that after issuance of impugned suspension Circular dated 18.2.2025 through which the Petitioner's license to operate as a custom agent has been suspended, a show-cause notice has been issued and reply has also been filed.

Through this petition, the Petitioner has challenged the suspension of his Custom Agents License primarily on the ground that the suspension is without any notice or assigning reasons thereon, which is contrary to the dicta laid down by this Court initially in the case of K. G. TRADERS¹ and followed in DOCKS PRIVATE LIMITED², authored by one of us³ and many other cases⁴, whereby it has been held that it is *sine qua non*, to give reasons for an immediate suspension of a license without notice. Though the Rule 102(4) of Customs Rules 2001, empowers the Licensing Authority to suspend a license without notice, where immediate action is considered necessary; however, that also

¹ K. G. TRADERS vs. DEPUTY COLLECTOR OF CUSTOMS (PLD 1997 Karachi 541)

² DOCKS PRIVATE LIMITED vs. FEDERATION OF PAKISTAN AND 3 OTHERS (2015 PTD 948)

³ Muhammad Junaid Ghaffar, J:

⁴ Pak Afghan Cargo Service (Pvt) Ltd. V Director (2014 PTD 661; Japan Shippers v Deputy Collector (1989 CLC 74); Saman Diplomatic Duty-Free Bonded Warehouse v CBR (PLD 1999 Karachi 170); A. H International v Assistant Collector (2003 PTD 2798);

requires recording of reason, whereas the said power is to be exercised rarely and so also after assigning reasons for such a harsh ex-parte action. It has been further held that that even where the powers and authority to suspend the licence as an immediate measure, under exceptional circumstances are available, the same are to be exercised after following the mandate of law and the principles of natural justice as suspension of a licence is an extreme penal action as it puts a complete halt to the business of such person which can cause incalculable harm to such person, for which there is no redress, even if later the order of suspension is withdrawn. The Court has further held that if such suspension continues for a longer period, it may eventually destroy its business totally. Therefore, in such a situation it is incumbent upon the concerned authority to exercise such powers sparingly and only when the situation demands it as an extreme exigency. It is needless to state that even when such authority is exercised, the same should be done through a reasoned order and the aggrieved person should be informed forthwith, and the action which is to follow for which the immediate suspension has been done, must be completed and decided within the shortest possible time.

In view of hereinabove facts and circumstances of the case, since the impugned suspension has been done without any notice or reason(s) and is contrary to the aforesaid dicta laid down by this Court, we deem it appropriate to **allow** / dispose of this petition by *suspending* the Circular dated 18.02.2025, whereby the license of the Petitioner was suspended till such time any final order is passed pursuant to Show Cause Notice dated 13.02.2025. Once a final order is passed by the Licensing Authority, and if aggrieved, the Petitioner, may seek further remedy in accordance with law.

Petition stands disposed of in these terms, whereas copy of the order in question be issued to Respondents No. 3 by the office.

ACTING CHIEF JUSTICE

J U D G E

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